

Join Kyle Cooper at 3:00 pm EST every Wednesday for his “Cooper on Oil & Gas” Live Chat on www.enelyst.com

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Week Ending June 28, 2019

Please contact me to review a joint RBN Energy daily publication detailing natural gas fundamentals.

Price Action: The spot price rose 12.2 cents (5.6%) to \$2.308 on a 16.9 cent range (\$2.364/\$2.195).

Price Outlook: After last week witnessed both a new weekly high and low, this week again witnessed a rare inside week on a 16.9 cent range. Of the 1,017 weeks since 2000, there have been 118 with both a new weekly high and low compared to just 99 where neither a new high nor low was established. The July index price of \$2.291 may lift temperature adjusted-power demand and physical pipeline data will be closely monitored for indication how this price impacted the supply/demand balance. For daily updated storage projections, subscribe to our joint publication with RBN Energy. CFTC data indicated a (34,566) contract increase in the net short managed money position as longs liquidated and shorts added. This is the largest net short position since November 17, 2015, 2016. This is the lowest long position since ICE data was added in early January 2010. Total open interest fell (114,312) to 3.480 million as of June 25. Aggregated CME futures open interest fell to 1.295 million as of June 28. The current weather forecast is now warmer than 6 of the last 10 years. Pipeline data indicates total flows to Cheniere’s Sabine Pass export facility were at 3.5 bcf. Cove Point is net exporting 0.7 bcf. Corpus Christi is exporting 1.190 bcf. Cameron is exporting 0.500 bcf. Freeport is exporting 0.000 bcf. Elba Island is exporting 0.000 bcf.

Weekly Storage: US working gas storage for the week ending June 21 indicated an injection of +98 bcf. Working gas inventories rose to 2,301 bcf. Current inventories rise 227 bcf (10.9%) above last year and fall (172) bcf (-7.0%) below the 5-year average.

Storage Outlook: The EIA weekly implied flow was (4) bcf from our EIA storage estimate. This week’s storage estimate returned within our error tolerance. Over the last five weeks, the EIA has reported total injections of +548 bcf compared to our +514 bcf estimate. The forecasts use a 10-year rolling temperature profile past the 15-day forecast. Our joint publication with RBN updates storage projections daily.

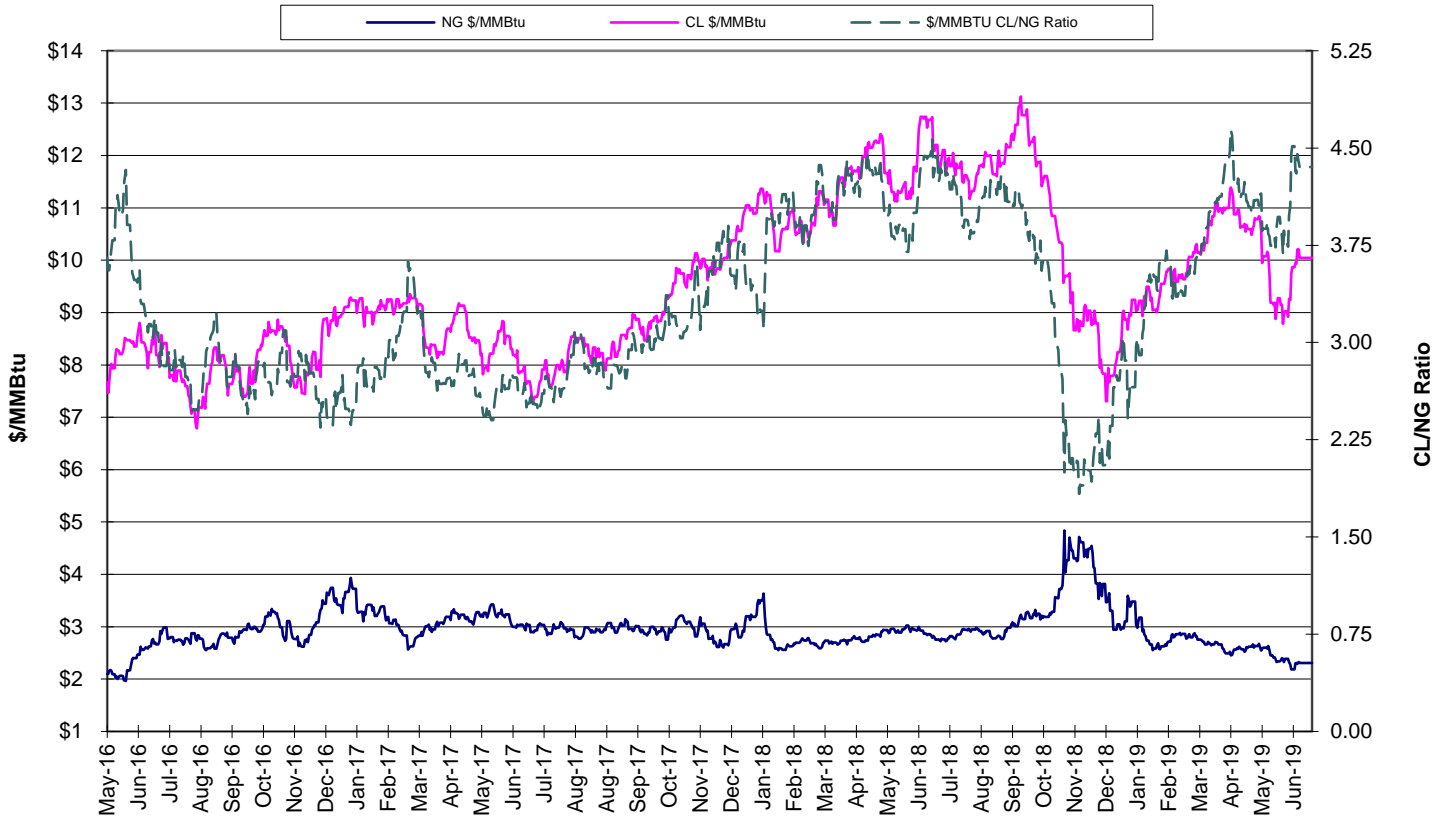
Supply Trends: Total supply fell (0.5) bcf/d to 83.5 bcf/d. US production rose. Canadian imports fell. LNG imports fell. LNG exports rose. Mexican exports fell. The US Baker Hughes rig count was unchanged +0. Oil activity increased +4. Natural gas activity decreased (4). The total US rig count now stands at 967. The Canadian rig count rose +5 to 124. Thus, the total North American rig count rose +5 to 1,091 and now trails last year by (128). The higher efficiency US horizontal rig count fell (6) to 840 and falls (86) below last year.

Demand Trends: Total demand rose +0.9 bcf/d to +69.4 bcf/d. Power demand rose. Industrial demand fell. Res/Comm demand fell. Electricity demand rose +4,005 gigawatt-hrs to 81,189 which trails last year by (6,158) (-7.1%) and trails the 5-year average by (5,184)(-6.0%%).

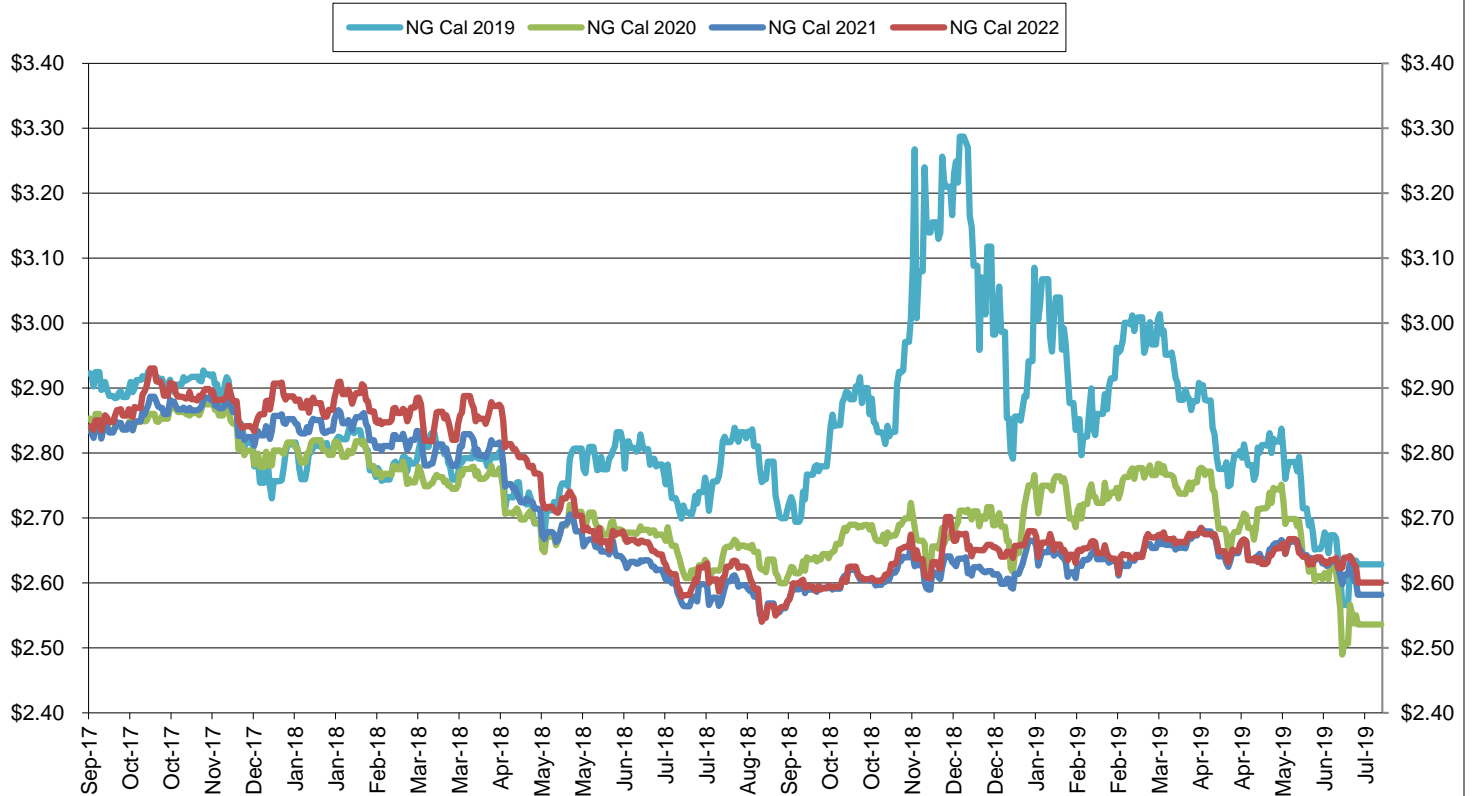
Nuclear Generation: Nuclear generation rose 512 MW in the reference week to 91,815 MW. This is (2,744) MW lower than last year and (877) MW lower than the 5-year average. Recent output was at 95,220 MW.

- The cooling season is beginning. With a forecast through July 12, the 2019 total cooling index is at 1,001 compared to 2,402 for 2018, 1,995 for 2017, 1,909 for 2016, 1,358 for 2015, 1,272 for 2014, 1,835 for 2013, 3,312 for 2012 and 2,067 for 2011.

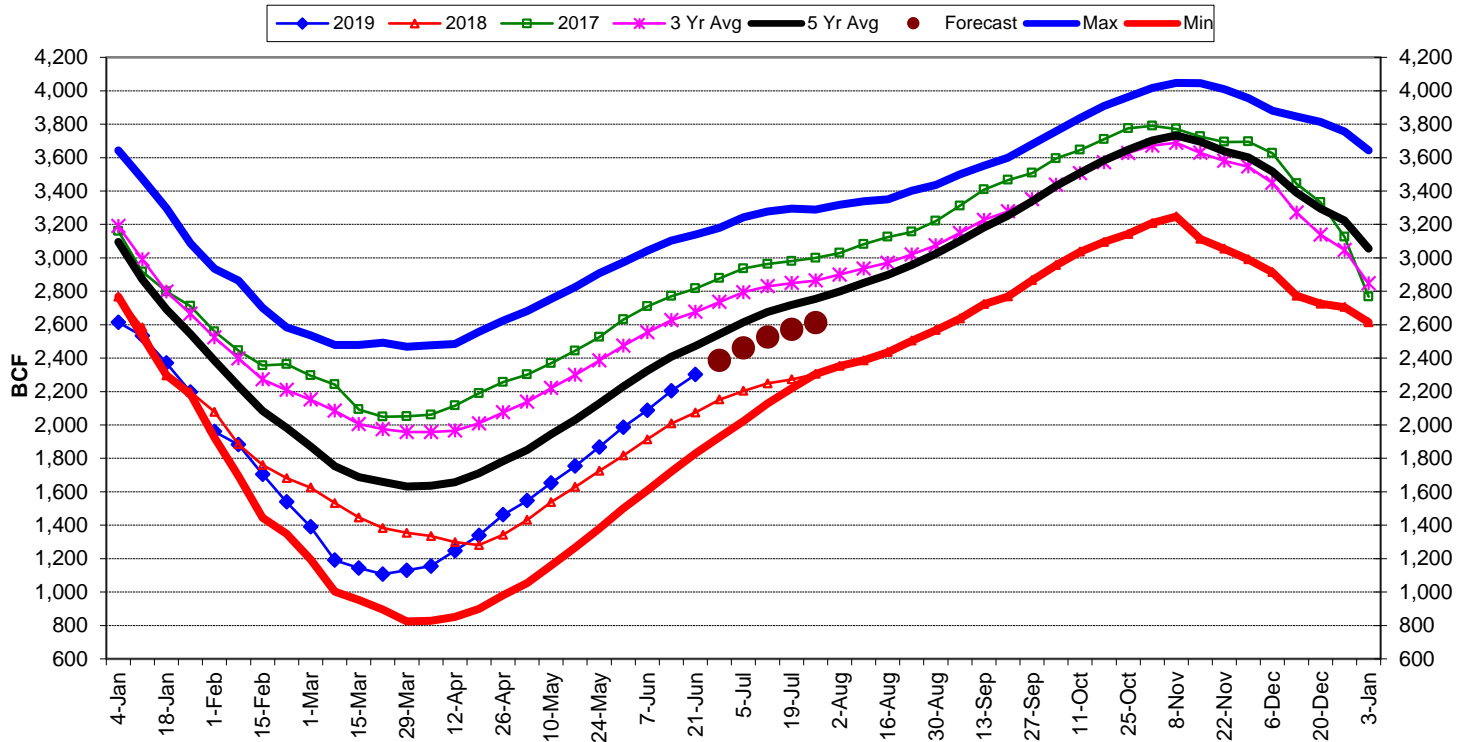
\$/MMBtu Ratio of NYMEX CL and NG



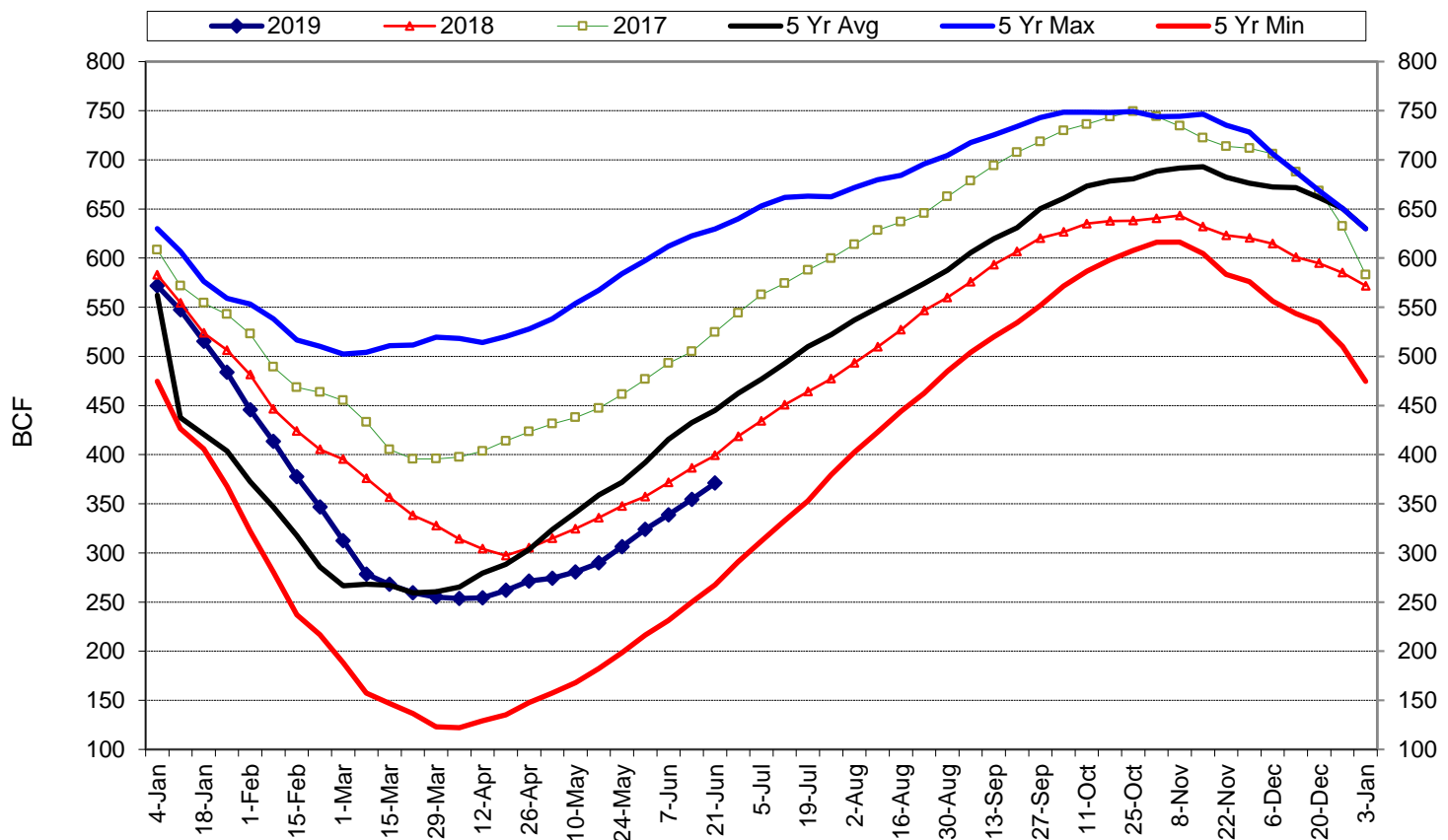
NYMEX Calendar Strips



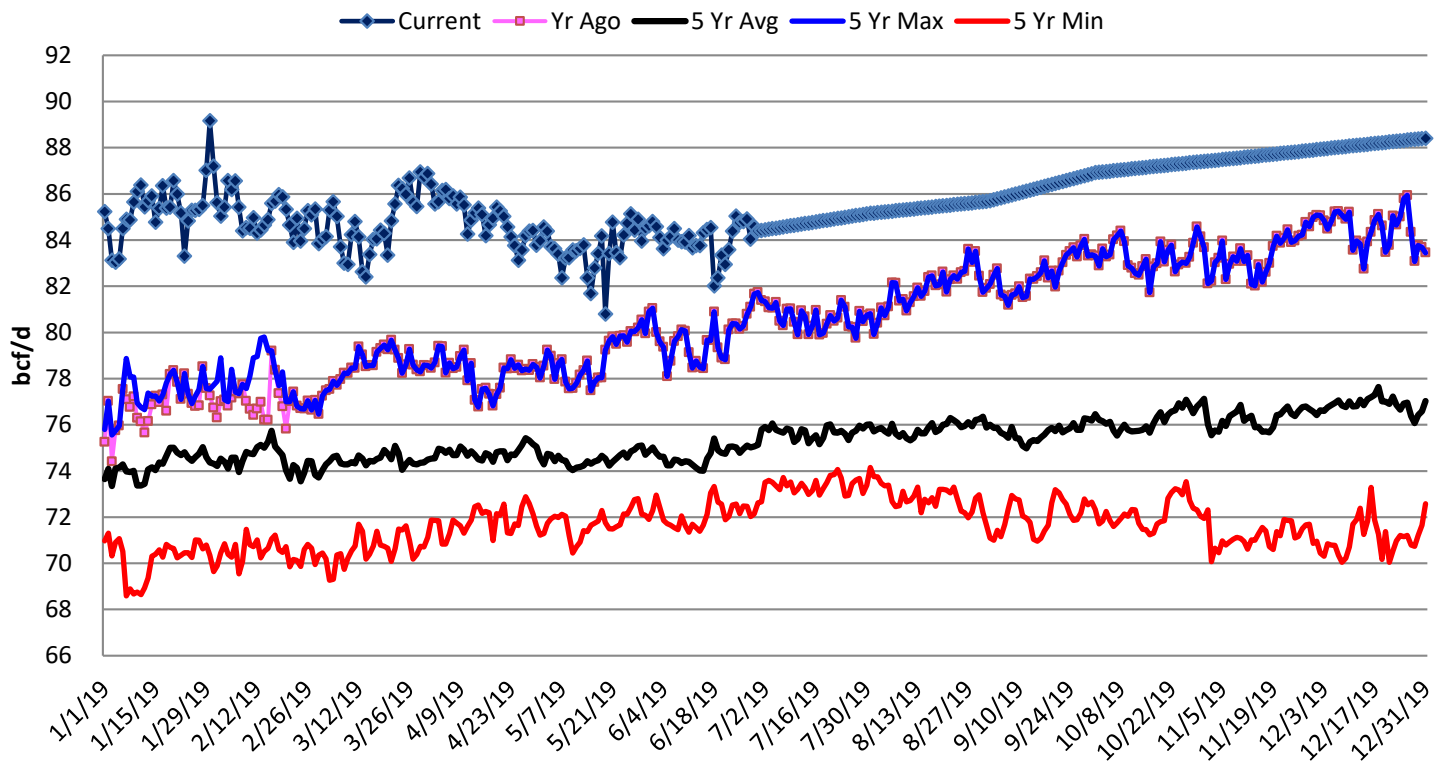
US Total Working Gas Storage - Source - EIA



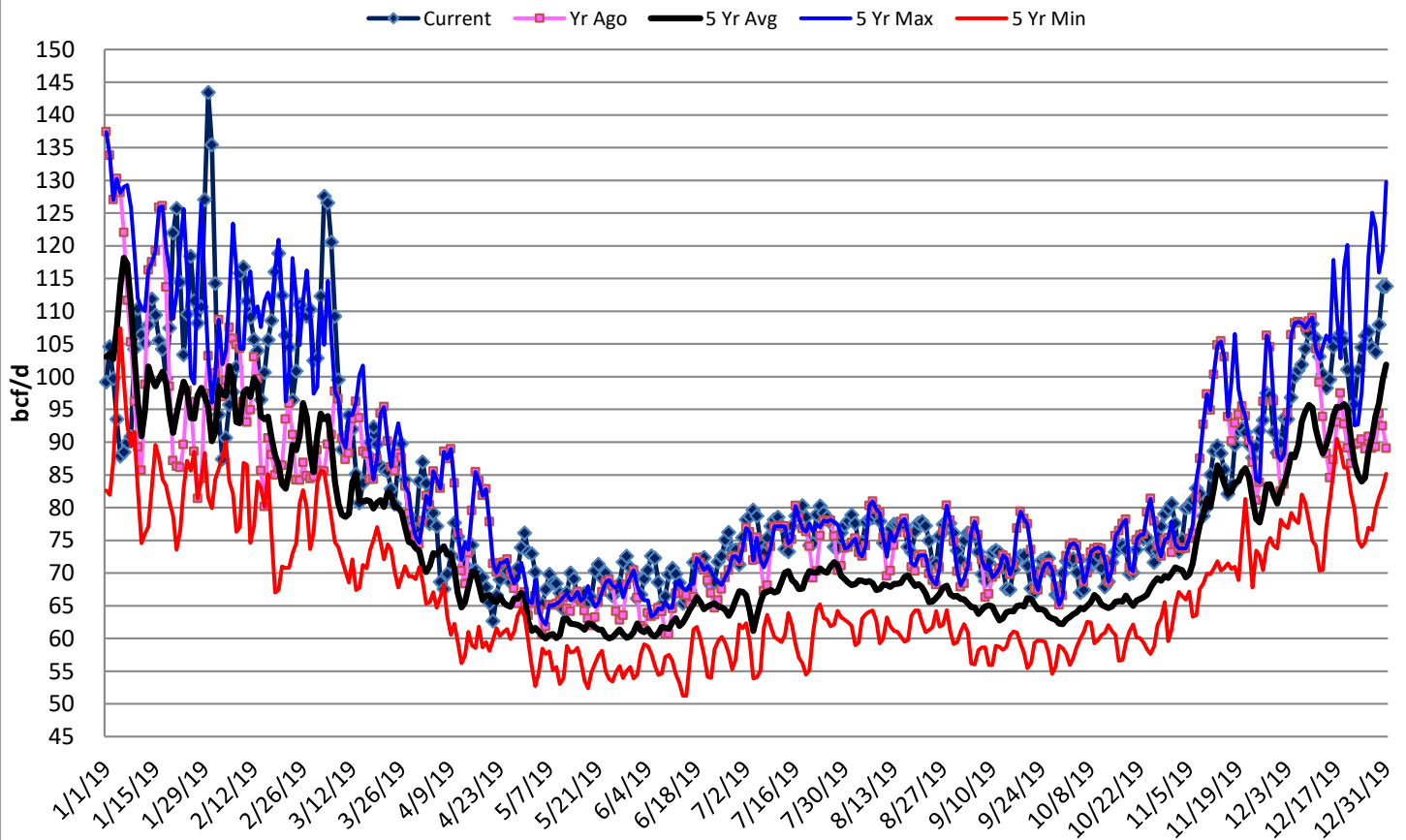
Canadian Working Gas Storage - Enerdata



US Total Supply



US Total Demand



ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

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