

Join Kyle Cooper at 3:00 pm EST every Wednesday for his "Cooper on Oil & Gas" Live Chat on [www.enelyst.com](http://www.enelyst.com)

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*Week Ending July 5, 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:** Prices rose on indications the July \$2.291 prices increased temperature adjust power burn, while the exact impact is still clouded by the July 4<sup>th</sup> impact. Weather forecasts were also bullish for the first time since May. Further price increases will be dependent on the current projected temperatures materializing and the storage deficit to the 5-year average to quit contracting. For daily updated storage projections, subscribe to our joint publication with RBN Energy. CFTC data was not updated due to the July 4<sup>th</sup> Holiday and the latest 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 rose to 1.324 million as of July 05, the highest since June 20. The current weather forecast is now warmer than 4 of the last 10 years. Pipeline data indicates total flows to Cheniere's Sabine Pass export facility were at 3.7 bcf. Cove Point is net exporting 0.7 bcf. Corpus Christi is exporting 1.170 bcf. Cameron is exporting 0.670 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 28 indicated an injection of +89 bcf. Working gas inventories rose to 2,390 bcf. Current inventories rise 238 bcf (11.1%) above last year and fall (153) bcf (-6.0%) below the 5-year average.

**Storage Outlook:** The EIA weekly implied flow was 2 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 +523 bcf compared to our +505 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.

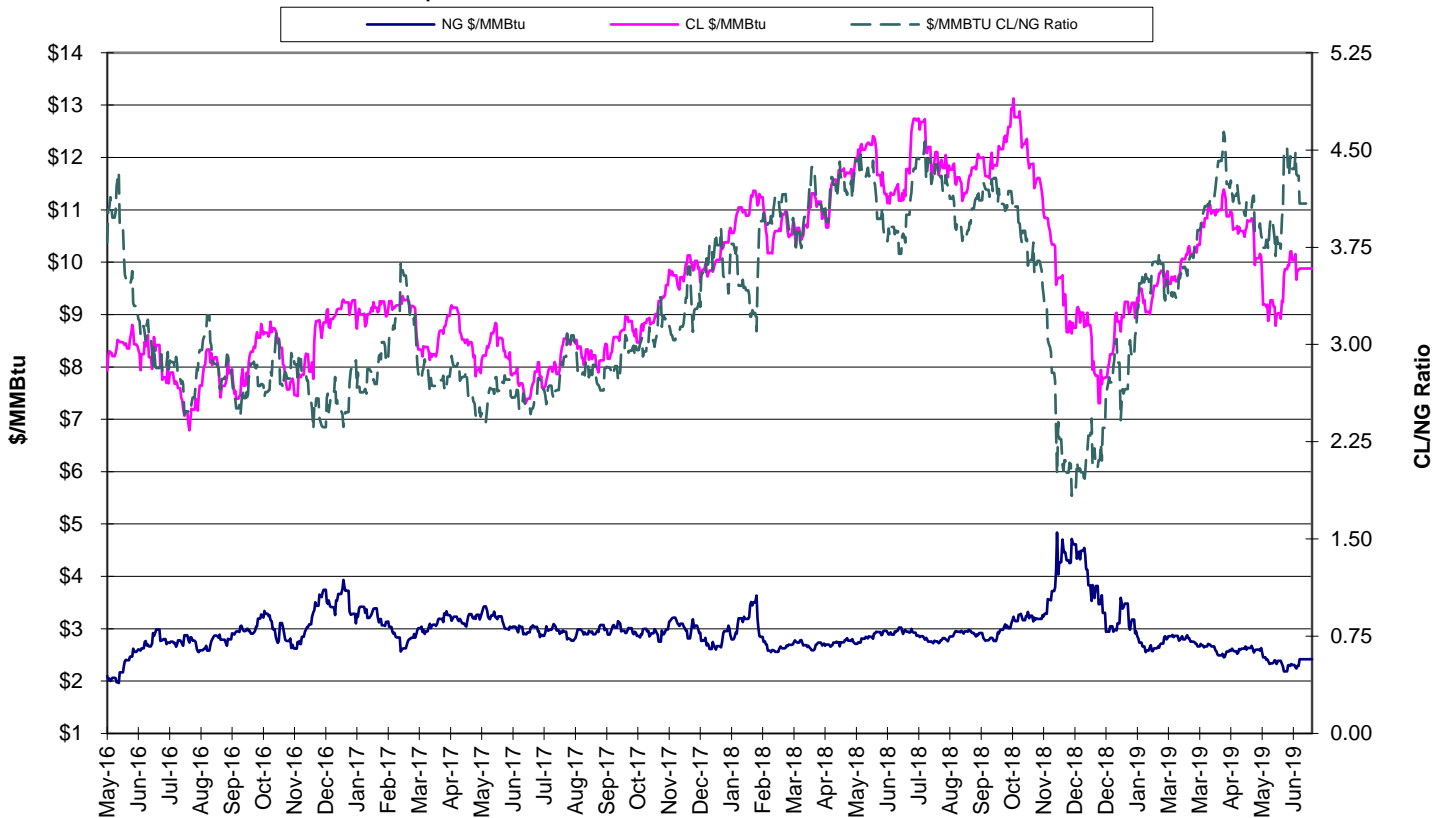
**Supply Trends:** Total supply rose 0.7 bcf/d to 84.1 bcf/d. US production rose. Canadian imports rose. LNG imports fell. LNG exports rose. Mexican exports rose. The US Baker Hughes rig count fell (4). Oil activity decreased (5). Natural gas activity increased +1. The total US rig count now stands at 963. The Canadian rig count fell (4) to 120. Thus, the total North American rig count fell (8) to 1,083 and now trails last year by (151). The higher efficiency US horizontal rig count fell (1) to 839 and falls (91) below last year.

**Demand Trends:** Total demand rose +2.3 bcf/d to +71.7 bcf/d. Power demand rose. Industrial demand fell. Res/Comm demand fell. Electricity demand rose +4,715 gigawatt-hrs to 85,904 which trails last year by (3,258) (-3.7%) and exceeds the 5-year average by 273 (0.3%).

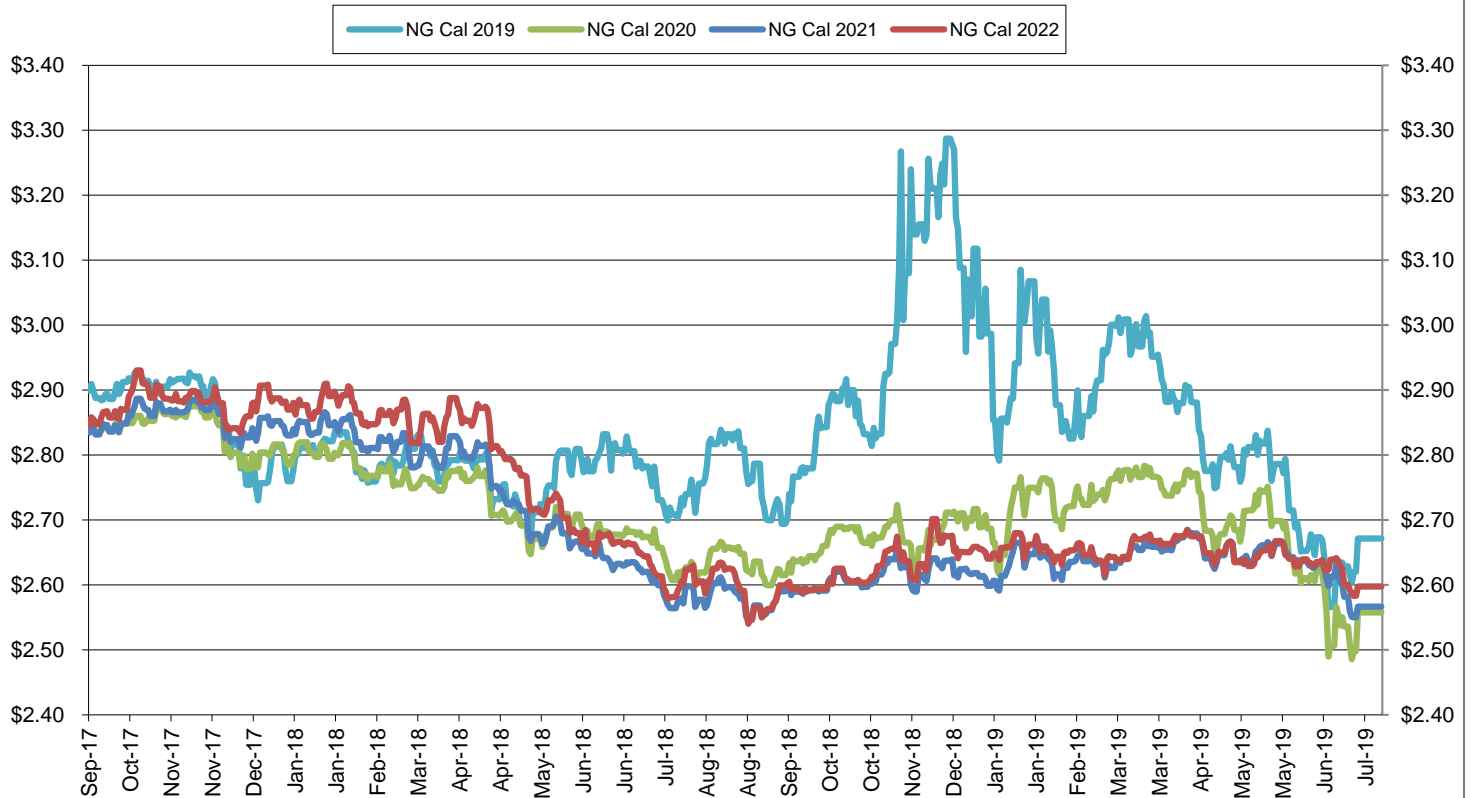
**Nuclear Generation:** Nuclear generation rose 671 MW in the reference week to 95,326 MW. This is +1,504 MW higher than last year and +1,675 MW higher than the 5-year average. Recent output was at 95,468 MW.

- The cooling season is beginning. With a forecast through July 19, the 2019 total cooling index is at 1,404 compared to 2,896 for 2018, 2,505 for 2017, 2,392 for 2016, 1,668 for 2015, 1,506 for 2014, 2,417 for 2013, 3,903 for 2012 and 2,521 for 2011.

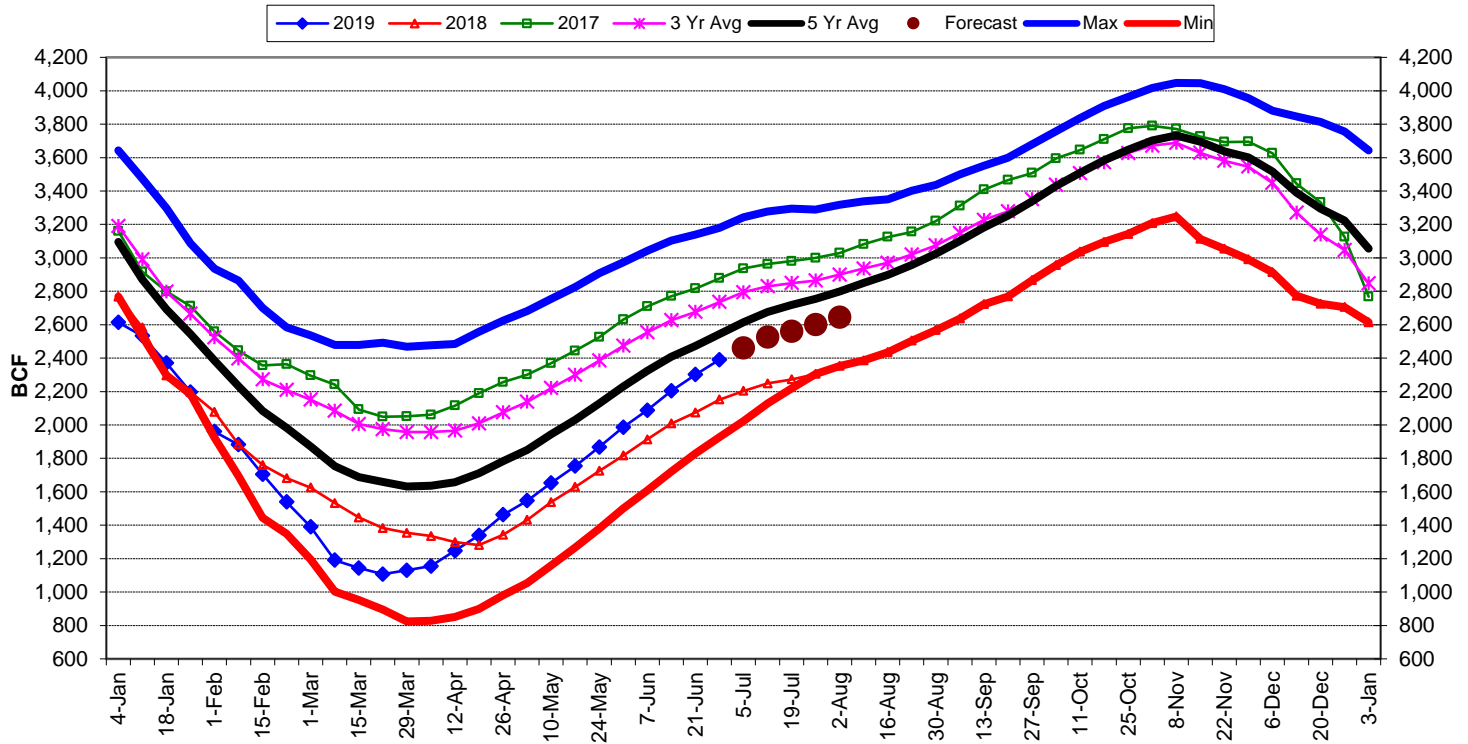
## \$/MMBtu Ratio of NYMEX CL and NG



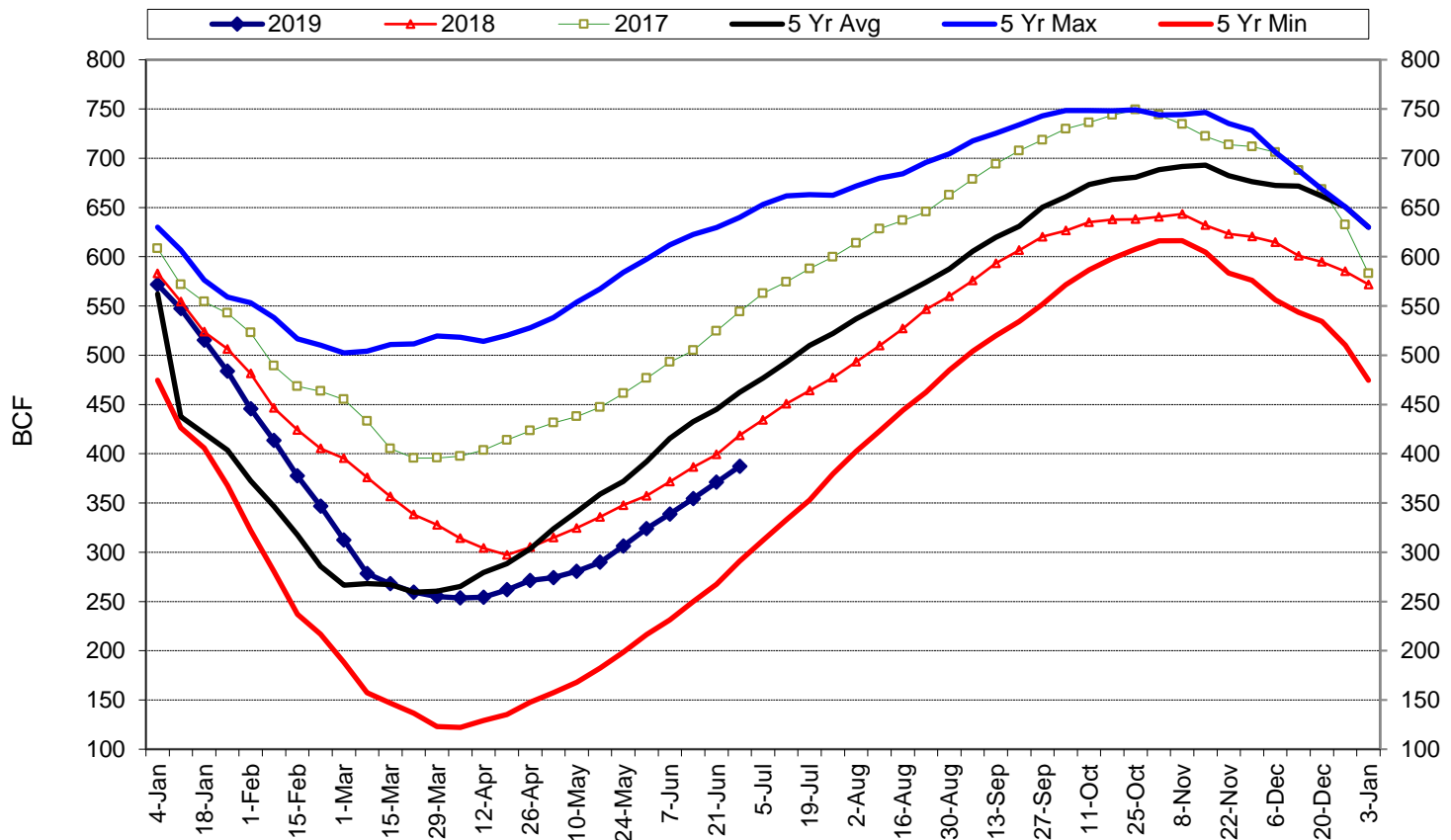
## NYMEX Calendar Strips



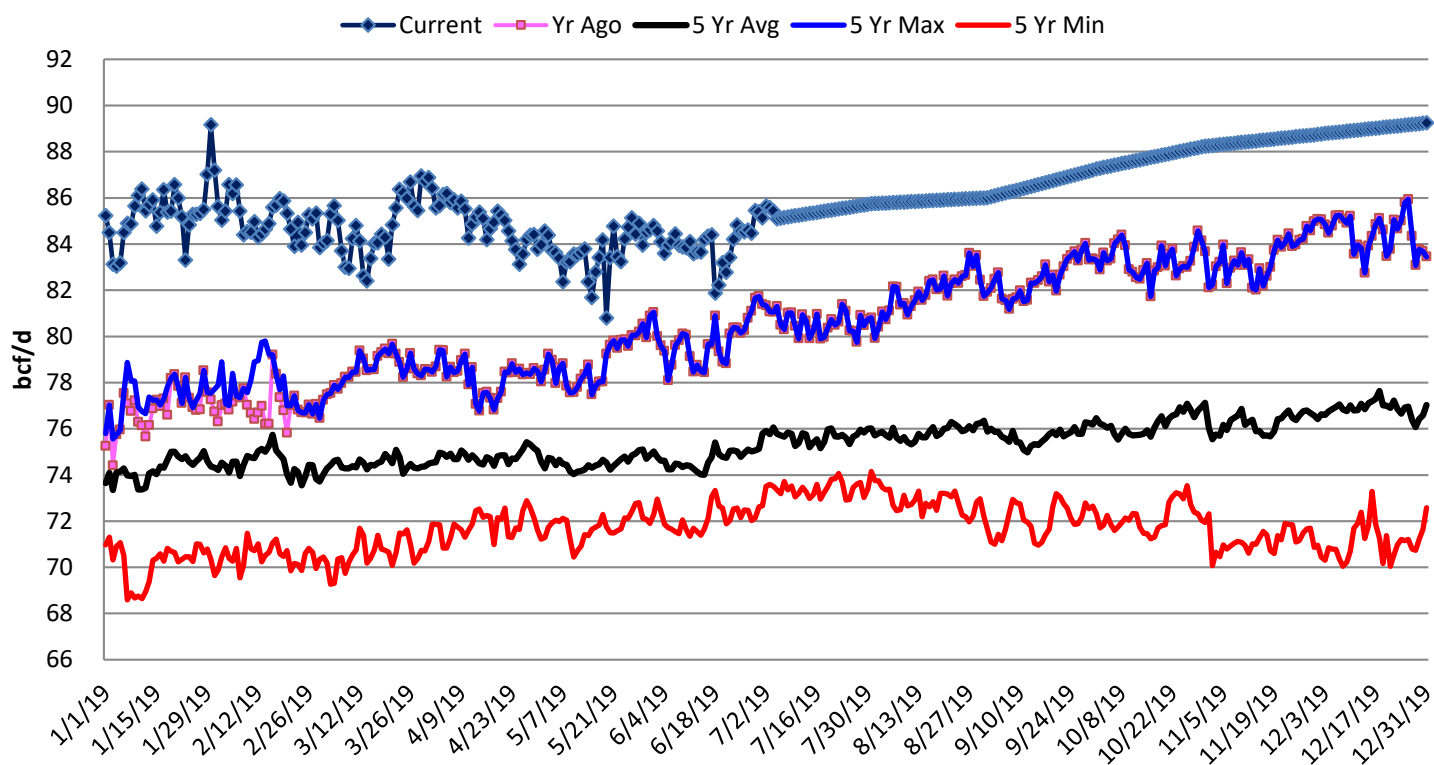
## US Total Working Gas Storage - Source - EIA



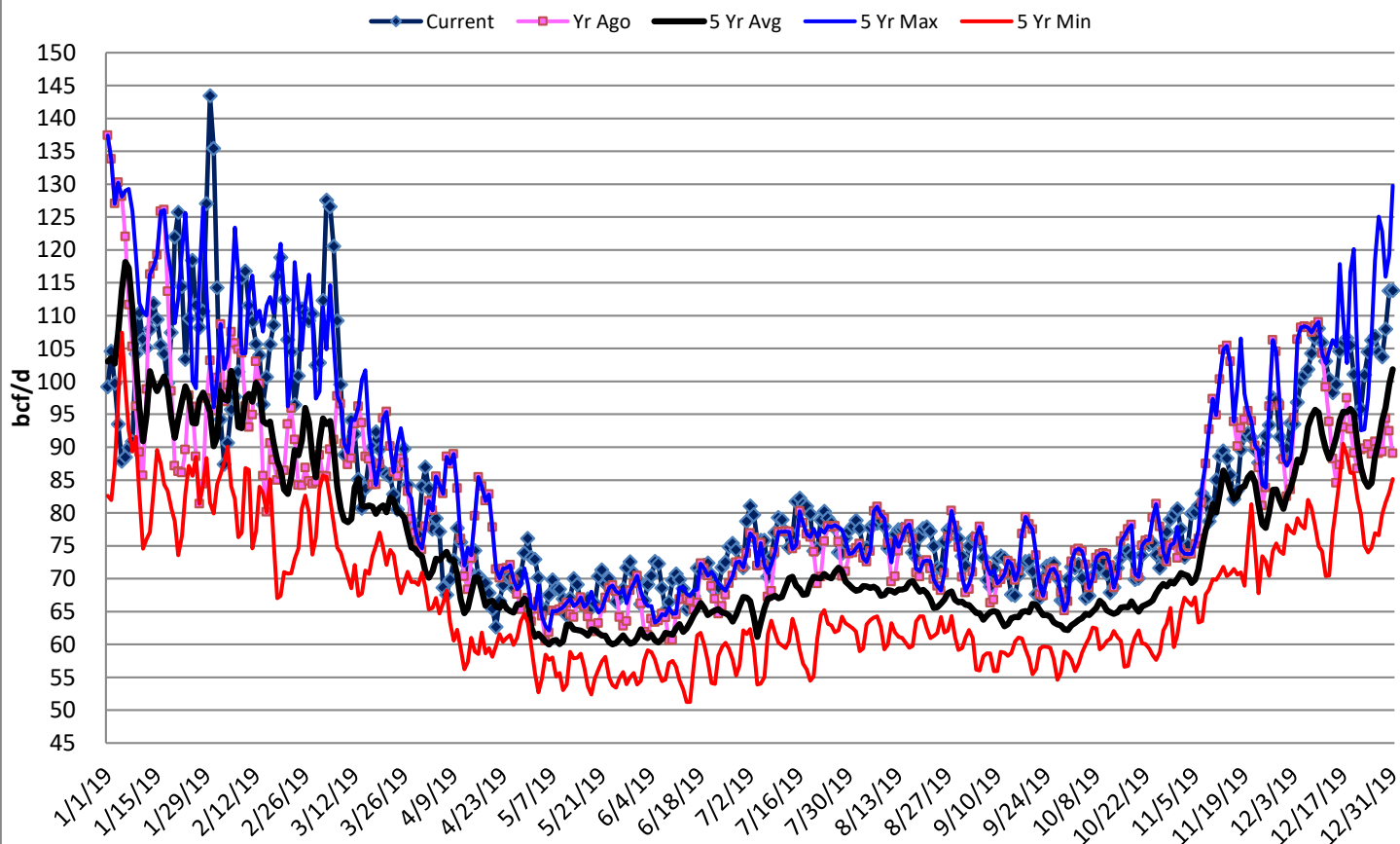
## Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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