

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 August 2, 2019*

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

**Price Action:** The spot price fell 4.8 cents (2.2%) to \$2.121 on a 25.6 cent range (\$2.333/\$2.077).

**Price Outlook:** Prices established both a new high and low this week as a pipeline explosion that threatened to shut-in some production shot prices higher. However, as details emerged and some production was rerouted and temperatures moderated and the EIA reported a much larger than expected storage injections, prices forged a new low to end the week. Since 2000, there have been 119 weeks where both a new high and low was posted compared to just 99 where neither were established. For daily updated storage projections, subscribe to our joint publication with RBN Energy. CFTC data indicated a (39,624) contract increase in the net short managed money position as longs liquidated and shorts added. This is the largest net short position we have on record with current comparable data sets. Total open interest fell (88,609) to 3.418 million as of July 30. The current weather forecast is now warmer than 5 of the last 10 years. Pipeline data indicates total flows to Cheniere's Sabine Pass export facility were at 2.3 bcf. Cove Point is net exporting 0.7 bcf. Corpus Christi is exporting 0.796 bcf. Cameron is exporting 0.250 bcf. Freeport is exporting 0.050 bcf. Elba Island is exporting 0.020 bcf.

**Weekly Storage:** US working gas storage for the week ending July 26 indicated an injection of +65 bcf. Working gas inventories rose to 2,634 bcf. Current inventories rise 329 bcf (14.3%) above last year and fall (120) bcf (-4.4%) below the 5-year average.

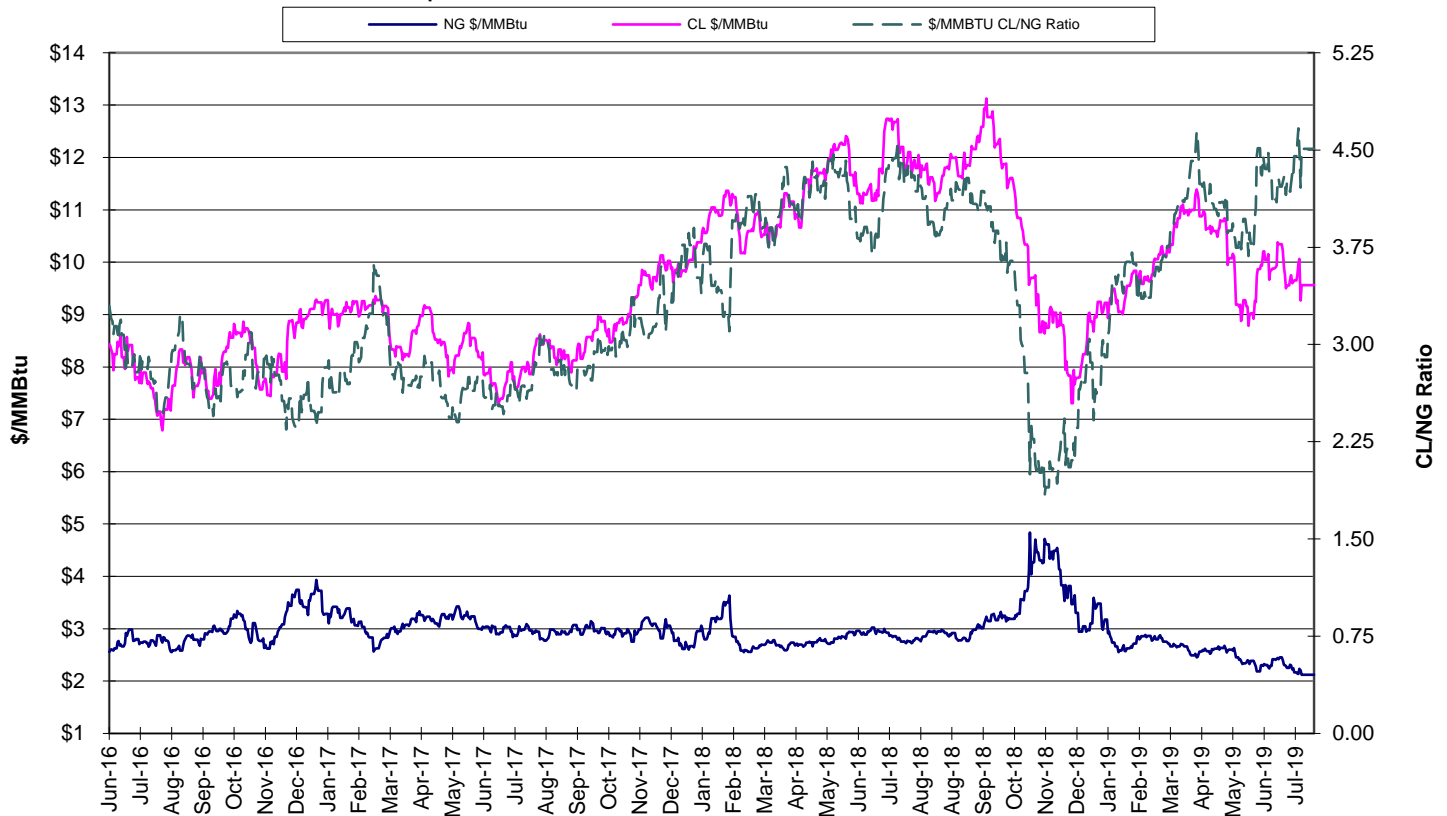
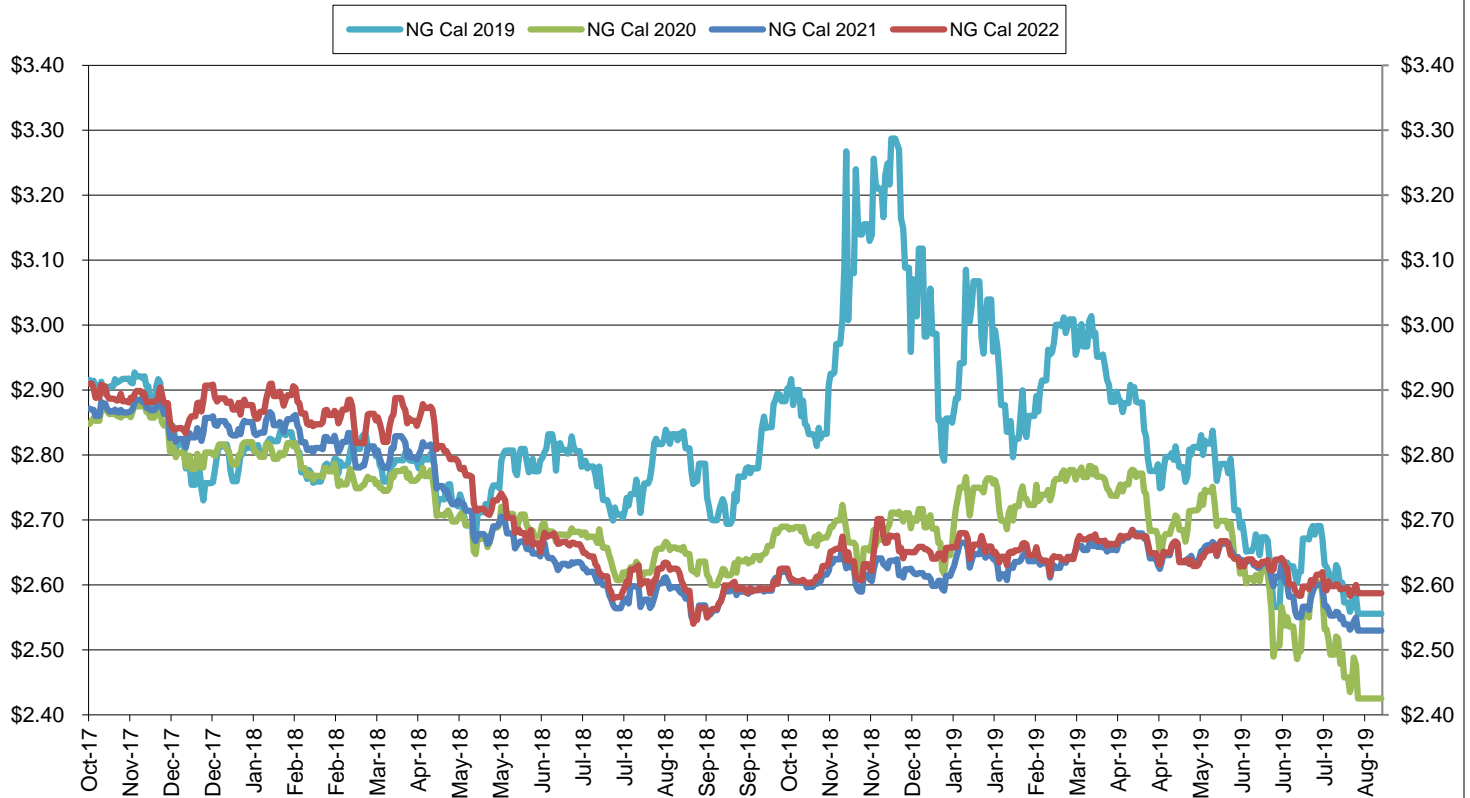
**Storage Outlook:** The EIA weekly implied flow was 9 bcf from our EIA storage estimate. This week's storage estimate remained within our error tolerance. Over the last five weeks, the EIA has reported total injections of +366 bcf compared to our +364 bcf estimate. The forecasts use a 10-year rolling temperature profile past the 15-day forecast. Our joint publication with RBN updates storage projections daily.

**Supply Trends:** Total supply rose 1.3 bcf/d to 84.5 bcf/d. US production rose. Canadian imports fell. LNG imports fell. LNG exports rose. Mexican exports fell. The US Baker Hughes rig count fell (4). Oil activity decreased (6). Natural gas activity increased +2. The total US rig count now stands at 942. The Canadian rig count rose +10 to 137. Thus, the total North American rig count rose +6 to 1,079 and now trails last year by (188). The higher efficiency US horizontal rig count fell (4) to 819 and falls (93) below last year.

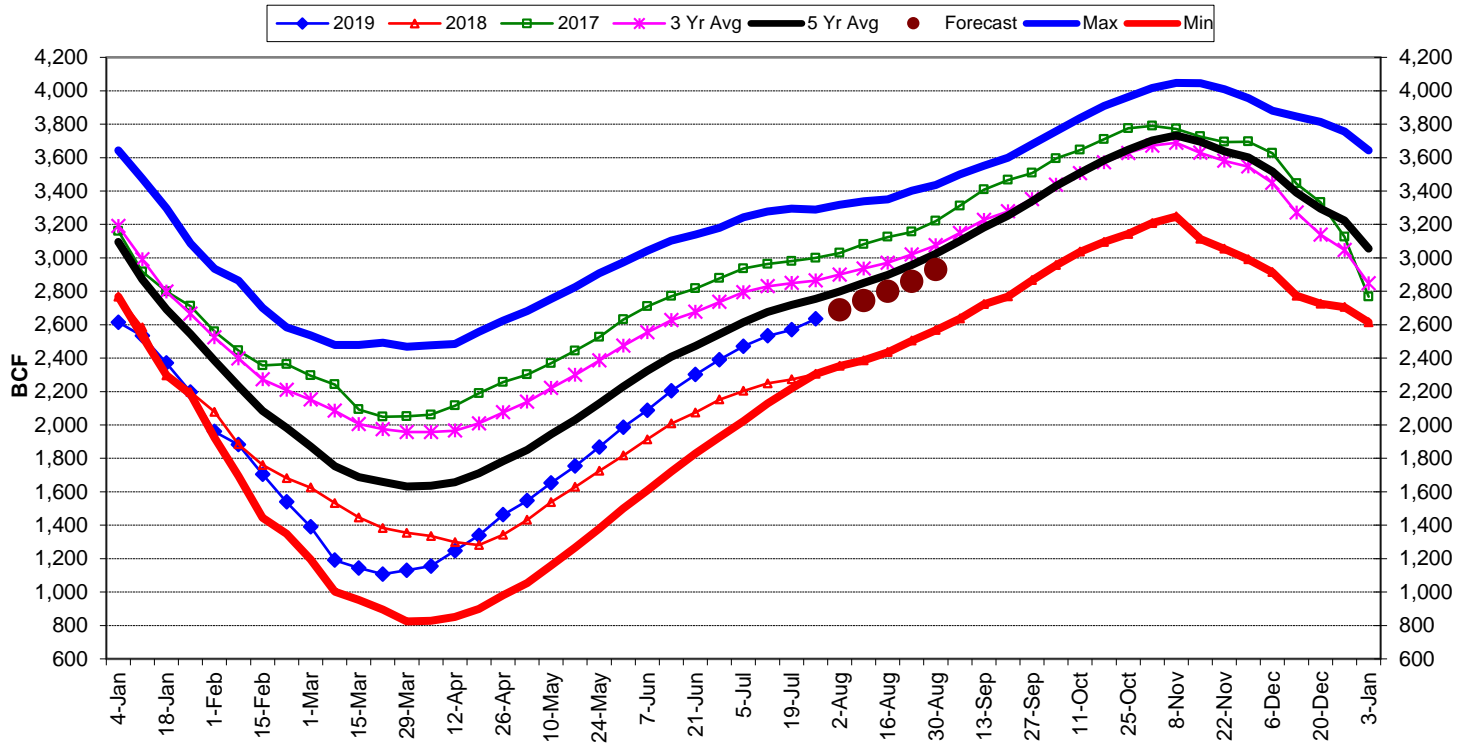
**Demand Trends:** Total demand fell (1.5) bcf/d to +76.4 bcf/d. Power demand fell. Industrial demand rose. Res/Comm demand rose. Electricity demand fell (6,183) gigawatt-hrs to 89,276 which trails last year by (2,513) (-2.7%) and trails the 5-year average by (1,923)(-2.1%).

**Nuclear Generation:** Nuclear generation rose 571 MW in the reference week to 94,373 MW. This is (2,134) MW lower than last year and +110 MW higher than the 5-year average. Recent output was at 94,047 MW.

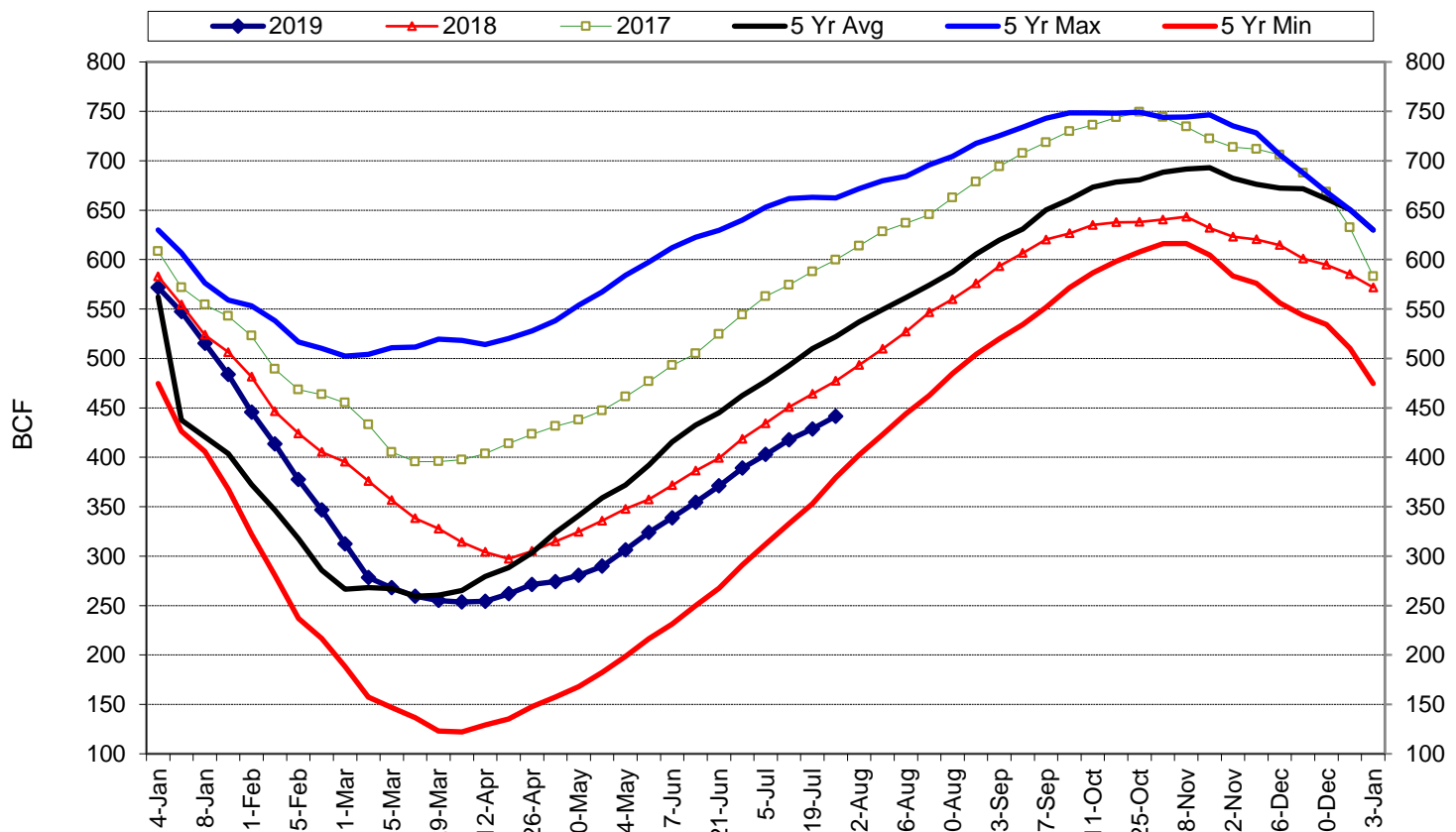
- The cooling season is beginning. With a forecast through August 16, the 2019 total cooling index is at 2,991 compared to 4,455 for 2018, 3,658 for 2017, 4,609 for 2016, 3,217 for 2015, 2,457 for 2014, 3,528 for 2013, 6,267 for 2012 and 4,773 for 2011.

**\$/MMBtu Ratio of NYMEX CL and NG****NYMEX Calendar Strips**

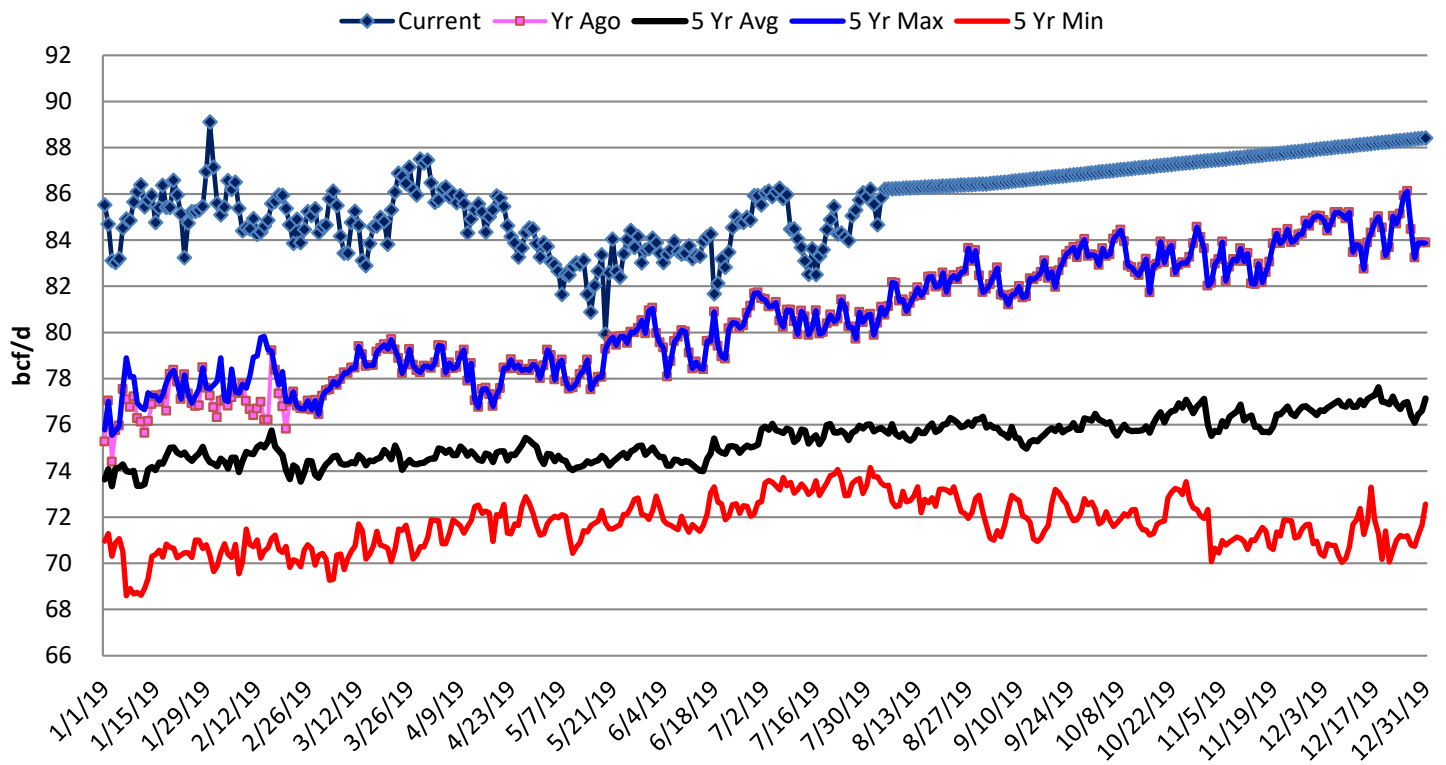
### US Total Working Gas Storage - Source - EIA



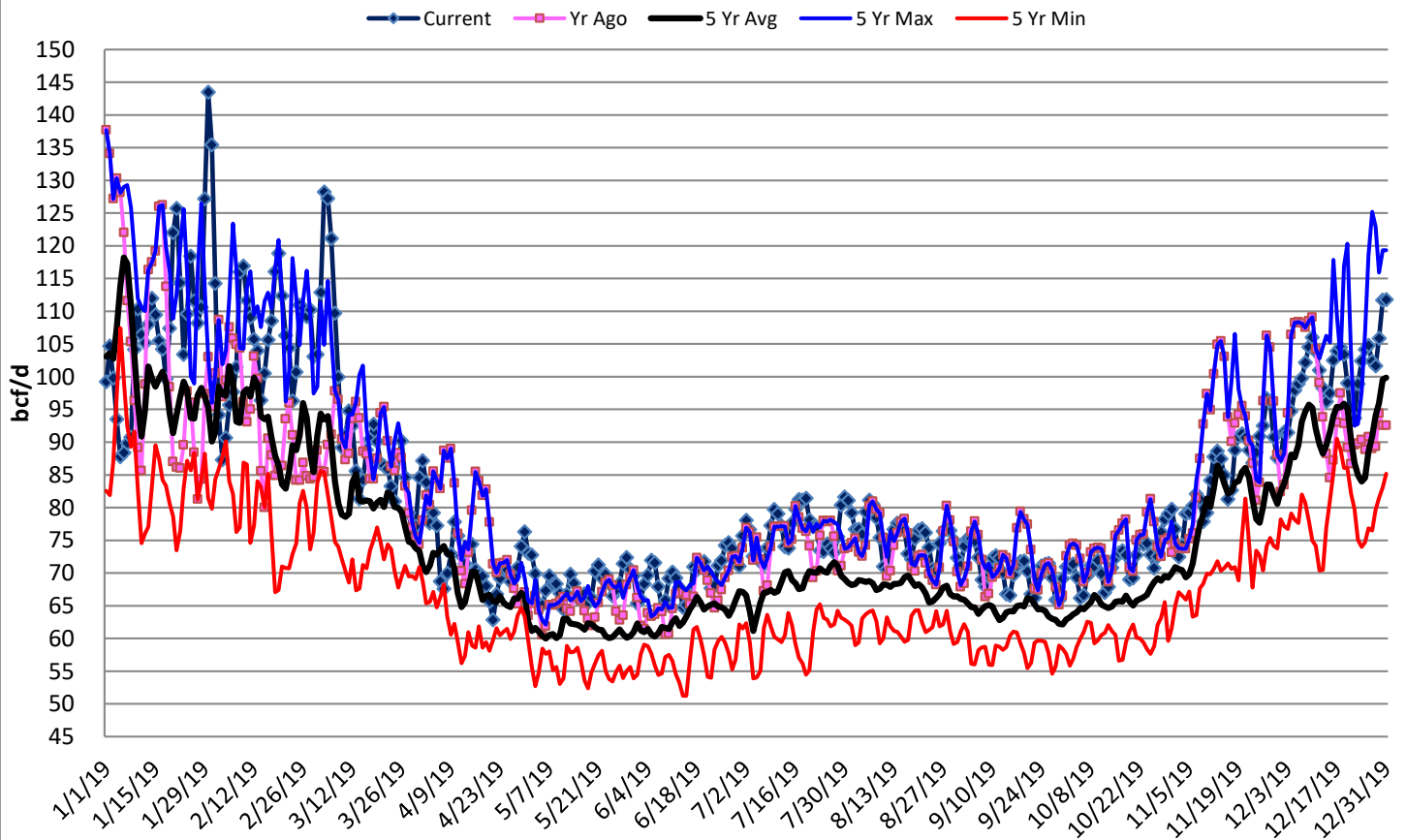
### Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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