

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)

Kyle Cooper, (713) 248-3009, [Kyle.Cooper@iafadvisors.com](mailto:Kyle.Cooper@iafadvisors.com)

***Week Ending August 23, 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 \$2.152 on an 11.8 cent range (\$2.238/\$2.120).

**Price Outlook:** Prices recorded a rare inside week as still solid late season cooling demand and rising LNG exports were offset by a still expanding yearly storage surplus and the reality that summer is rapidly coming to an end and demand will be falling. Of the 1,025 weeks since 2000, only 100 have been inside weeks with neither a new high nor low. In contrast, 119 weeks have recorded both a new high and low. With demand falling, a still huge speculative net short position may entice a short covering rally. But, unless fundamental factors arise to instigate short covering, prices may simply drift lower. For daily updated storage projections, subscribe to our joint publication with RBN Energy. CFTC data indicated a 22,039 contract reduction in the net short managed money position as longs liquidated and shorts covered. Total open interest fell (18,405) to 3.562 million as of August 20. Aggregated CME futures open interest fell (46,611) to 1.291 million as of August 23, the lowest since July 11. The current weather forecast is now cooler than 6 of the last 10 years. Pipeline data indicates total flows to Cheniere's Sabine Pass export facility were at 3.6 bcf. Cove Point is net exporting 0.7 bcf. Corpus Christi is exporting 1.554 bcf. Cameron is exporting 0.553 bcf. Freeport is exporting 0.165 bcf. Elba Island is exporting 0.010 bcf.

**Weekly Storage:** US working gas storage for the week ending August 16 indicated an injection of +59 bcf. Working gas inventories rose to 2,797 bcf. Current inventories rise 362 bcf (14.9%) above last year and fall (101) bcf (-3.5%) 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 remained within our error tolerance. Over the last five weeks, the EIA has reported total injections of +264 bcf compared to our +271 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.

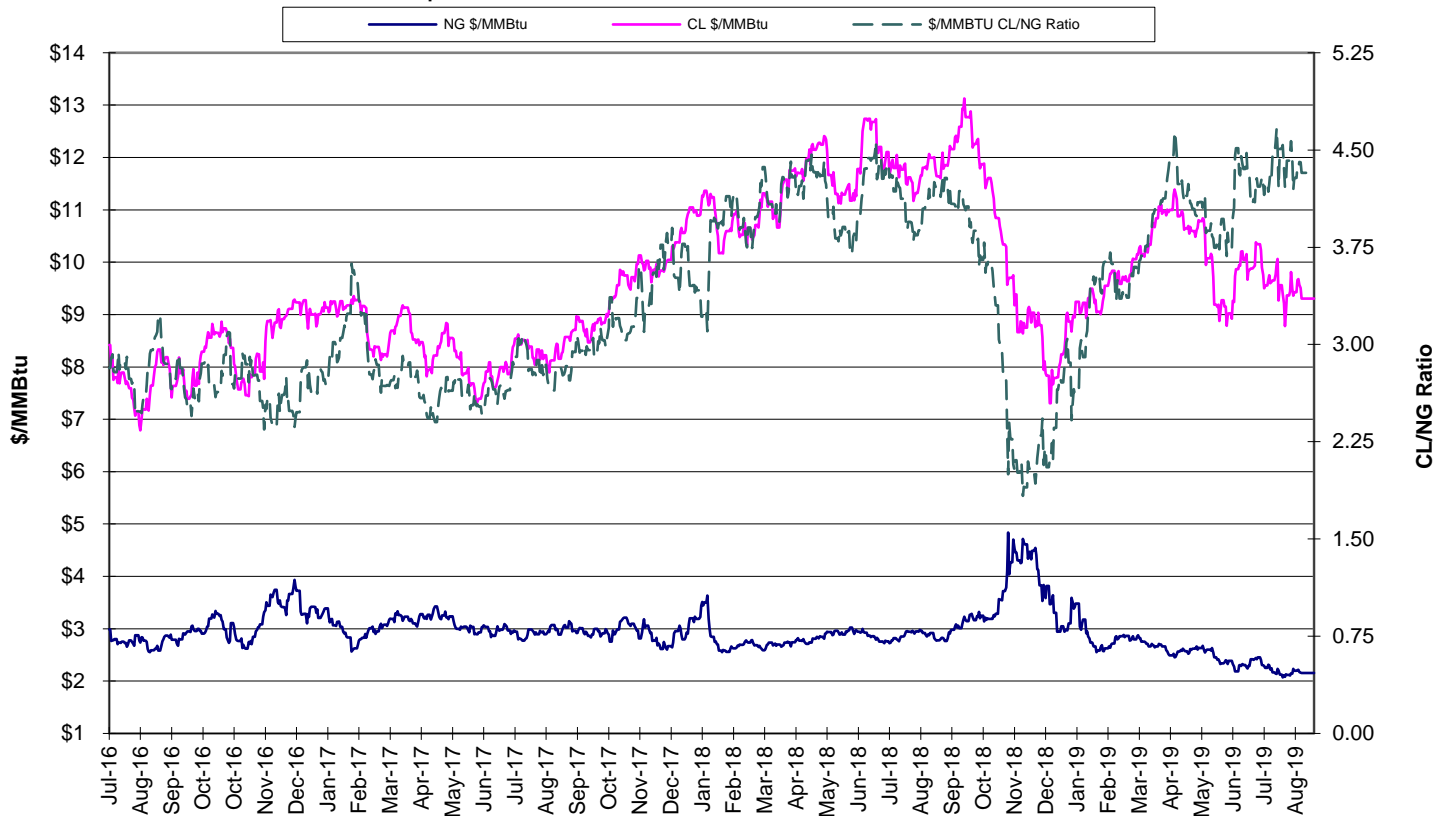
**Supply Trends:** Total supply rose 0.7 bcf/d to 86.7 bcf/d. US production rose. Canadian imports fell. LNG imports rose. LNG exports fell. Mexican exports fell. The US Baker Hughes rig count fell (19). Oil activity decreased (16). Natural gas activity decreased (3). The total US rig count now stands at 916. The Canadian rig count fell (3) to 139. Thus, the total North American rig count fell (22) to 1,055 and now trails last year by (218). The higher efficiency US horizontal rig count fell (18) to 797 and falls (122) below last year.

**Demand Trends:** Total demand fell (0.9) bcf/d to +77.8 bcf/d. Power demand fell. Industrial demand fell. Res/Comm demand rose. Electricity demand fell (176) gigawatt-hrs to 90,024 which trails last year by (1,037) (-1.1%) and exceeds the 5-year average by 1,979 (2.2%).

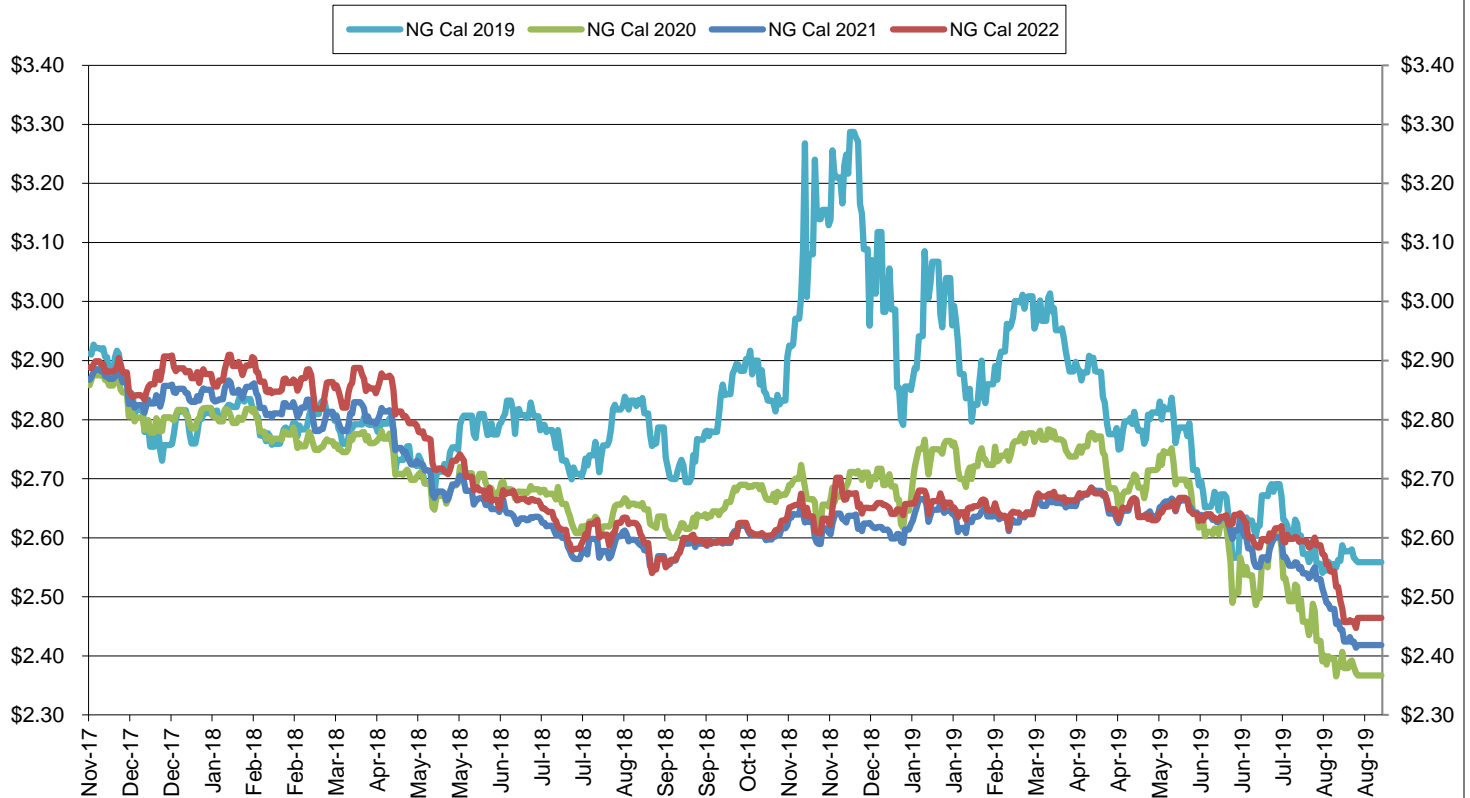
**Nuclear Generation:** Nuclear generation fell (509)MW in the reference week to 94,785 MW. This is (282) MW lower than last year and (574) MW lower than the 5-year average. Recent output was at 95,631 MW.

- The cooling season is beginning. With a forecast through September 6, the 2019 total cooling index is at 4,070 compared to 5,213 for 2018, 4,473 for 2017, 5,402 for 2016, 3,927 for 2015, 3,176 for 2014, 4,432 for 2013, 6,976 for 2012 and 6,320 for 2011.

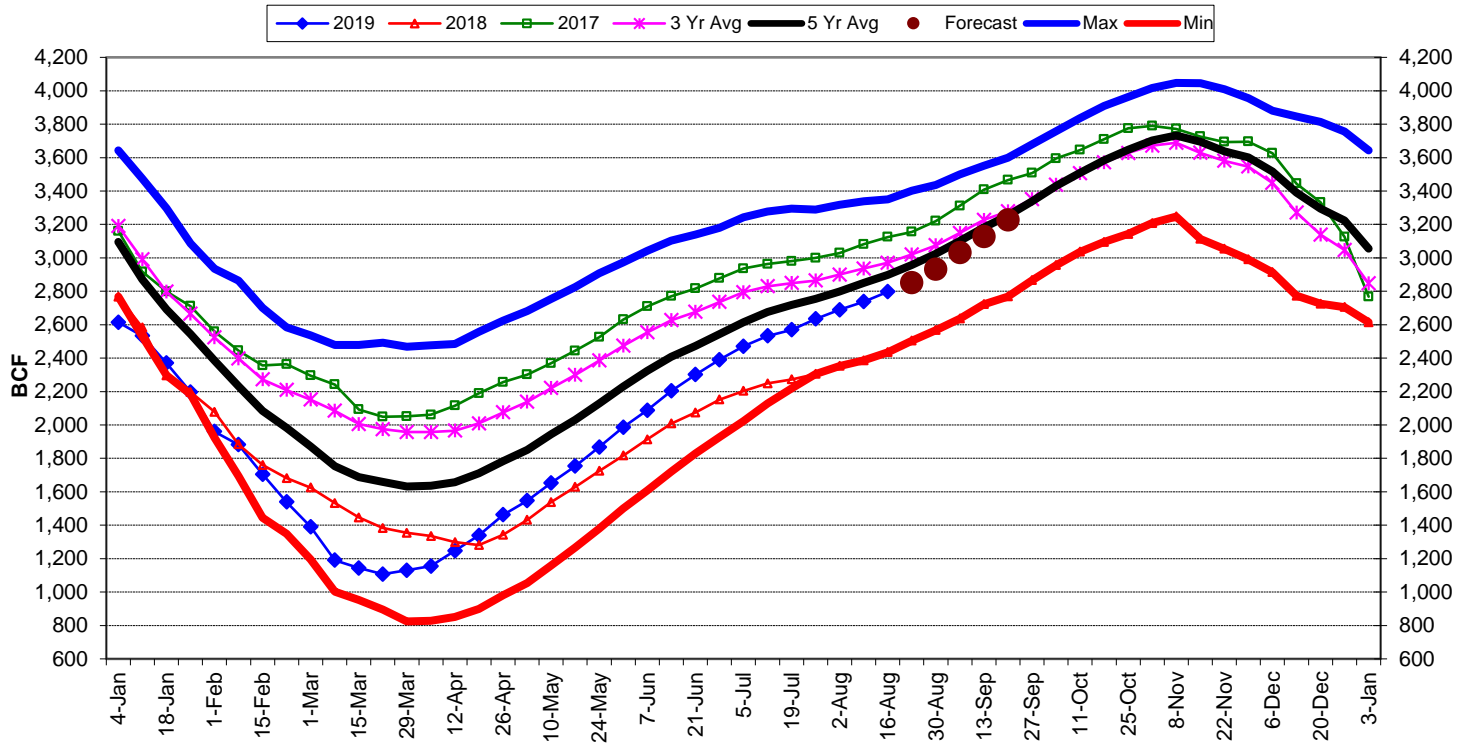
### \$/MMBtu Ratio of NYMEX CL and NG



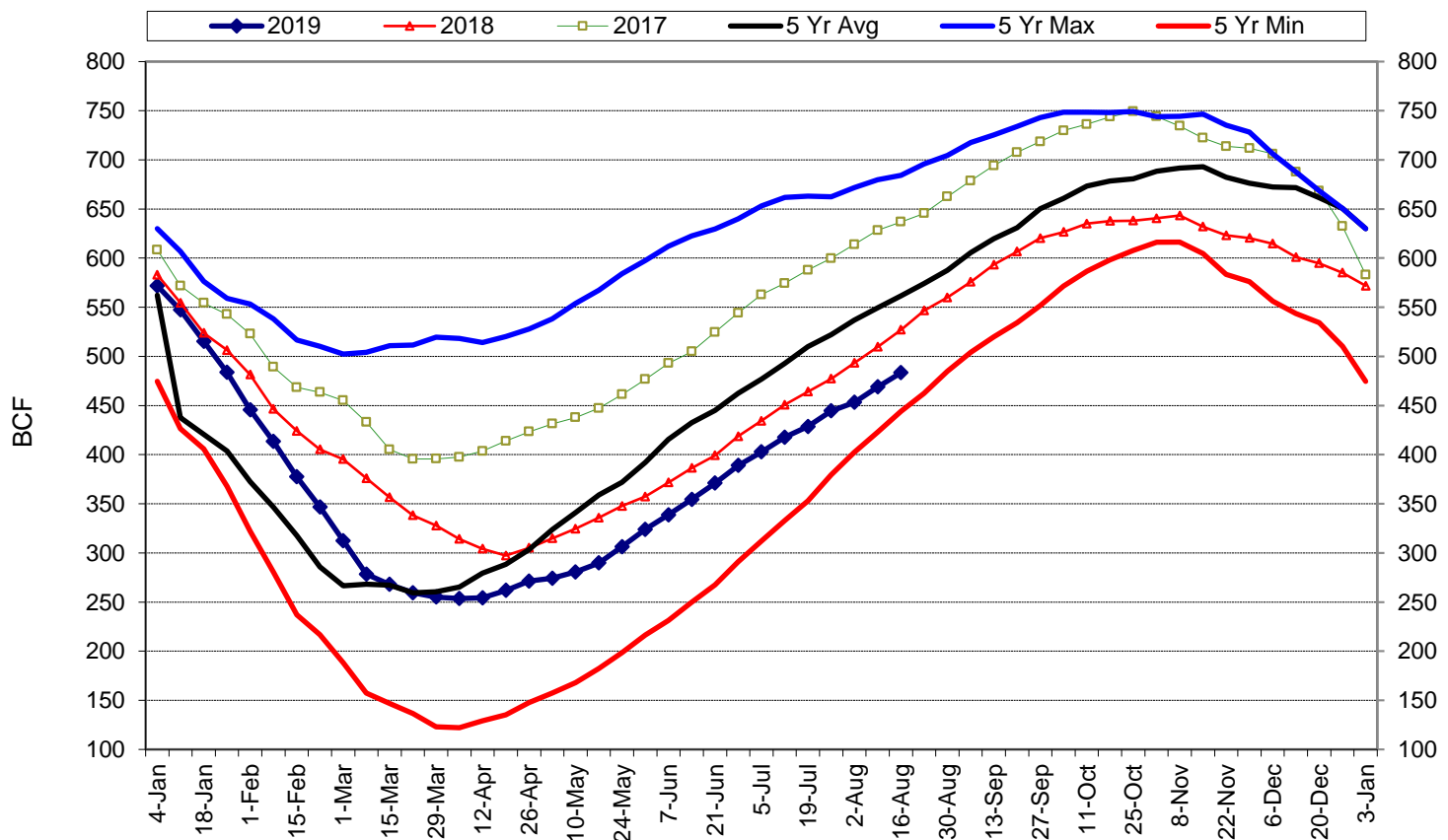
### NYMEX Calendar Strips



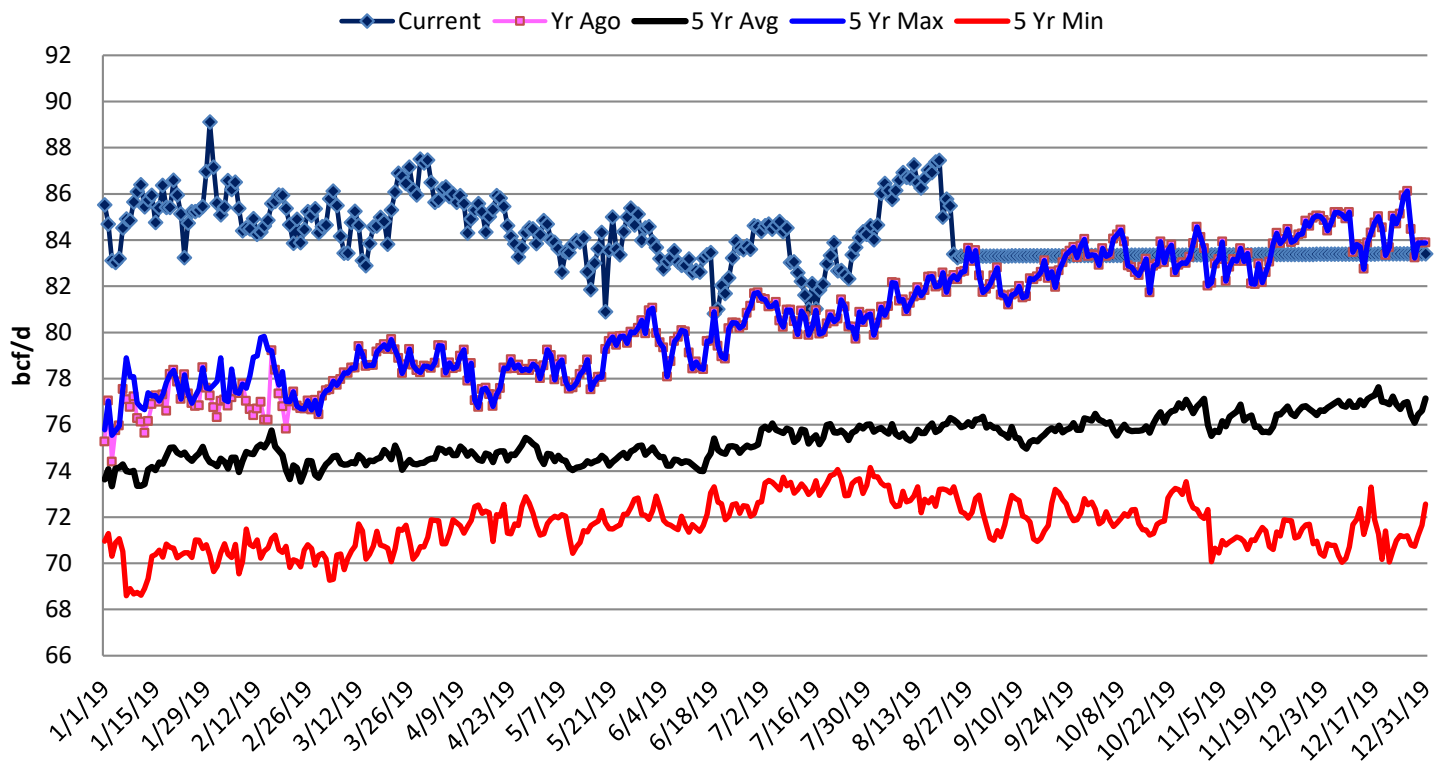
### US Total Working Gas Storage - Source - EIA



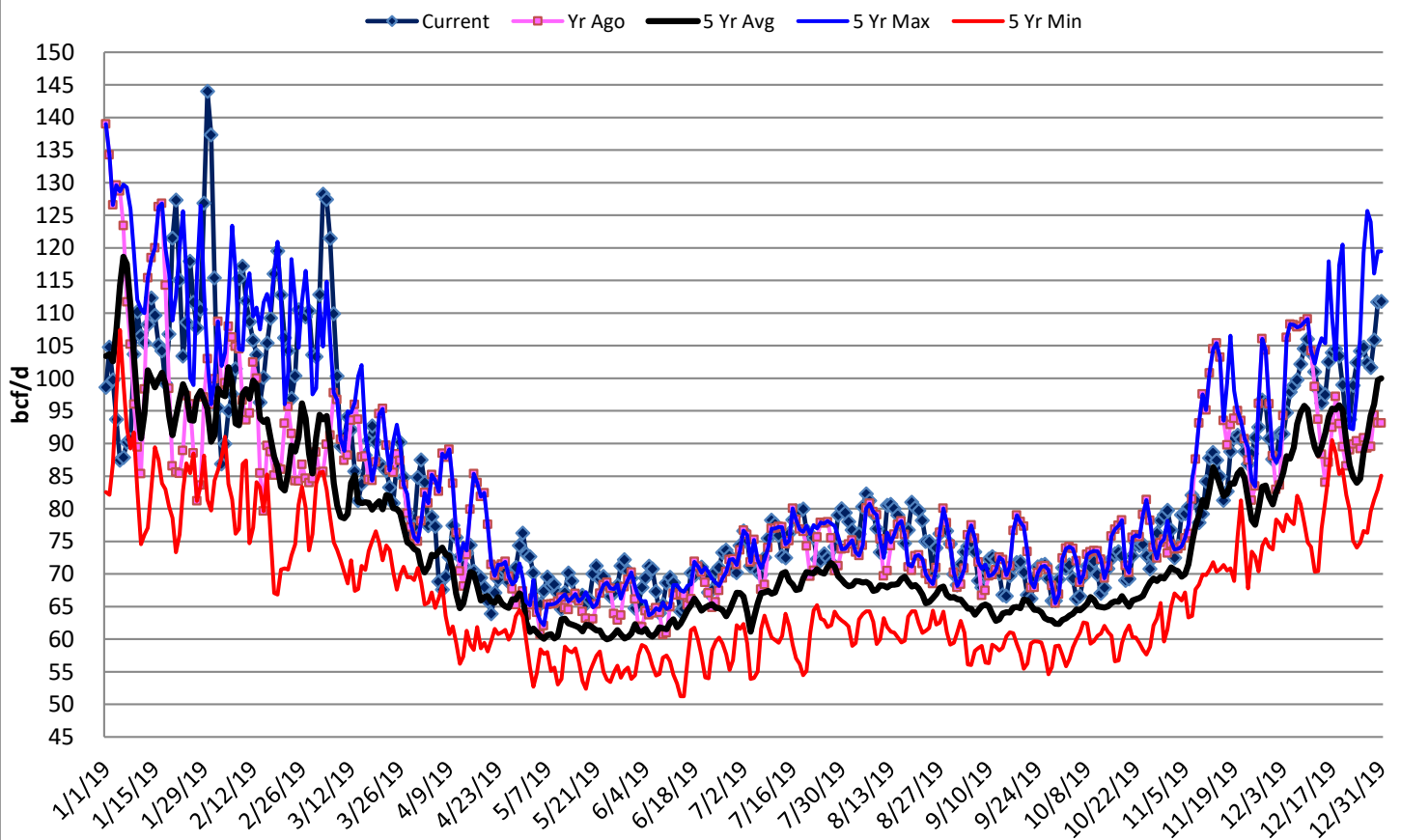
### Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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