

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 September 20, 2019***

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

**Price Action:** The spot price fell 8.0 cents (3.1%) to \$2.534 on a 20.4 cent range (\$2.710/\$2.506).

**Price Outlook:** Prices ended the week lower despite still bullish weather forecasts as well above normal cooling demand, especially in Southern locations, continued. However, the EIA reported a higher than expected storage injection and above normal temperatures are now bearish in most locations. Despite the lower prices week-on-week, early strength did establish a new weekly high for the 4<sup>th</sup> consecutive week. Still, a continuation of above normal temperatures will likely continue to lead prices lower. For daily updated storage projections, subscribe to our joint publication with RBN Energy. CFTC data indicated a 35,278 contract reduction in the net short managed money position as longs added and shorts covered. This represents a (162,988) contract reduction from the record (219,742) net short position from August 13. Total open interest rose 71,153 to 3.526 million as of September 17. Aggregated CME futures open interest fell (85,195) to 1.159 million as of September 20. This is the lowest CME open interest since March 28. The current weather forecast is now warmer than 10 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 0.0 bcf. Corpus Christi is exporting 1.580 bcf. Cameron is exporting 0.480 bcf. Freeport is exporting 0.310 bcf. Elba Island is exporting 0.020 bcf.

**Weekly Storage:** US working gas storage for the week ending September 13 indicated an injection of +84 bcf. Working gas inventories rose to 3,103 bcf. Current inventories rise 381 bcf (14.0%) above last year and fall (79) bcf (-2.5%) below the 5-year average.

**Storage Outlook:** The EIA weekly implied flow was 6 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 +288 bcf compared to our +295 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.

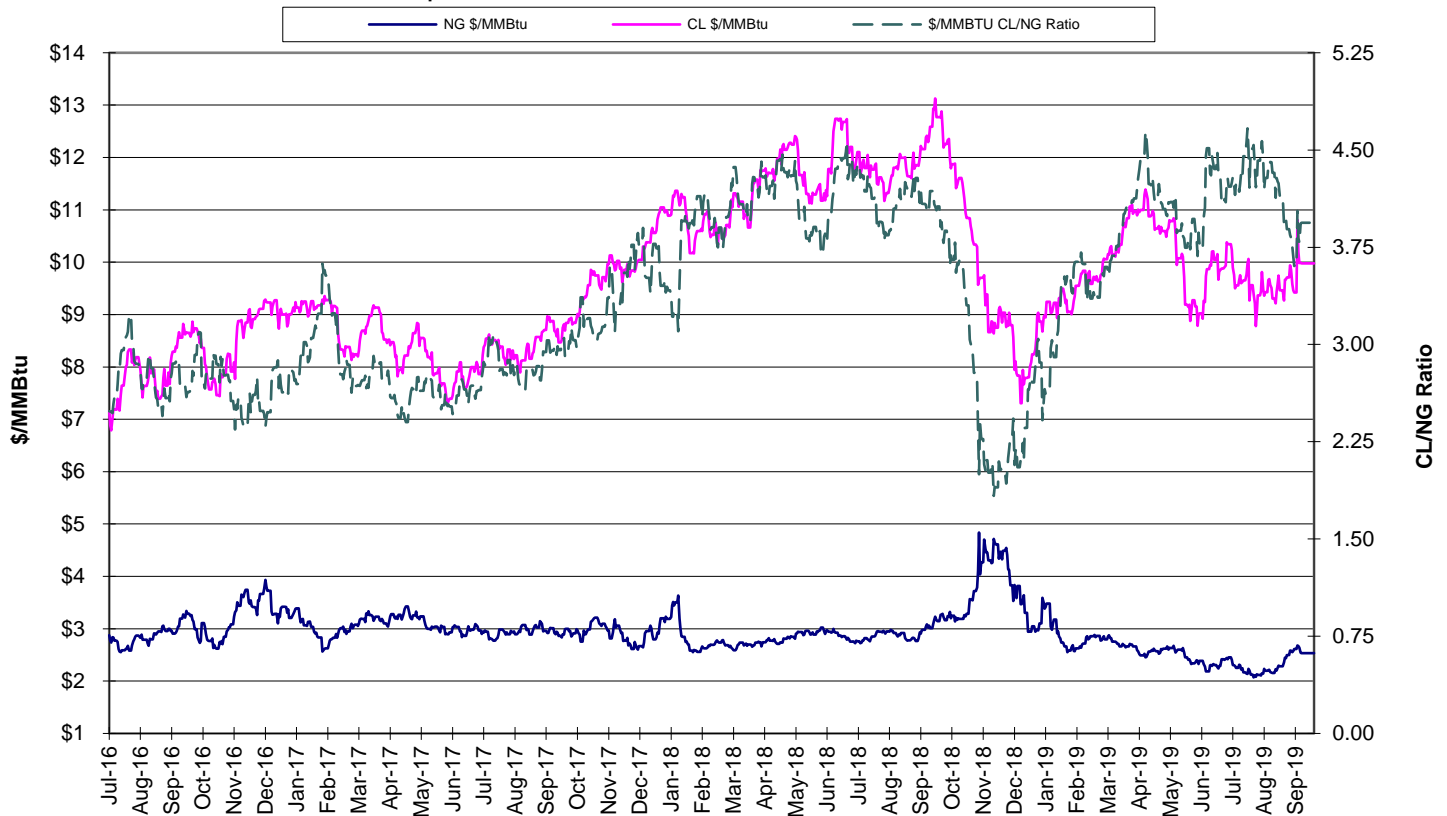
**Supply Trends:** Total supply fell (0.5) bcf/d to 84.8 bcf/d. US production fell. Canadian imports rose. LNG imports fell. LNG exports fell. Mexican exports fell. The US Baker Hughes rig count fell (18). Oil activity decreased (14). Natural gas activity decreased (5). The total US rig count now stands at 868. The Canadian rig count fell (15) to 119. Thus, the total North American rig count fell (33) to 987 and now trails last year by (263). The higher efficiency US horizontal rig count fell (20) to 756 and falls (163) below last year.

**Demand Trends:** Total demand fell (0.4) bcf/d to +73.6 bcf/d. Power demand rose. Industrial demand rose. Res/Comm demand fell. Electricity demand rose +298 gigawatt-hrs to 84,144 which exceeds last year by +4,547 (5.7%) and exceeds the 5-year average by 4,119 (5.1%).

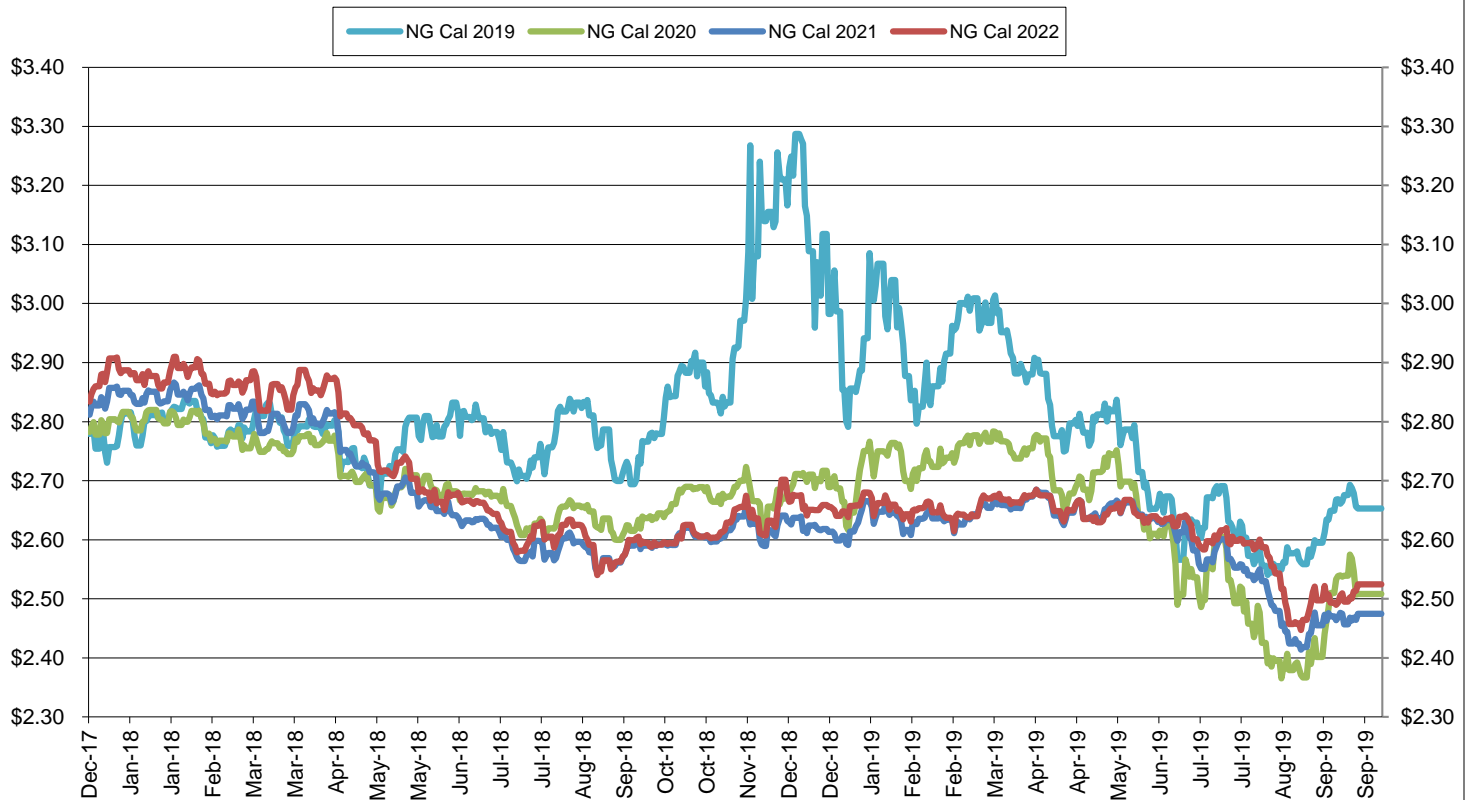
**Nuclear Generation:** Nuclear generation fell (1,138) MW in the reference week to 89,946 MW. This is +4,638 MW higher than last year and +42 MW higher than the 5-year average. Recent output was at 90,282 MW.

- The cooling season is coming to an end. With a forecast through October 4, the 2019 total cooling index is at 4,846 compared to 5,616 for 2018, 4,860 for 2017, 5,402 for 2016, 4,322 for 2015, 3,413 for 2014, 4,805 for 2013, 7,205 for 2012 and 6,706 for 2011.

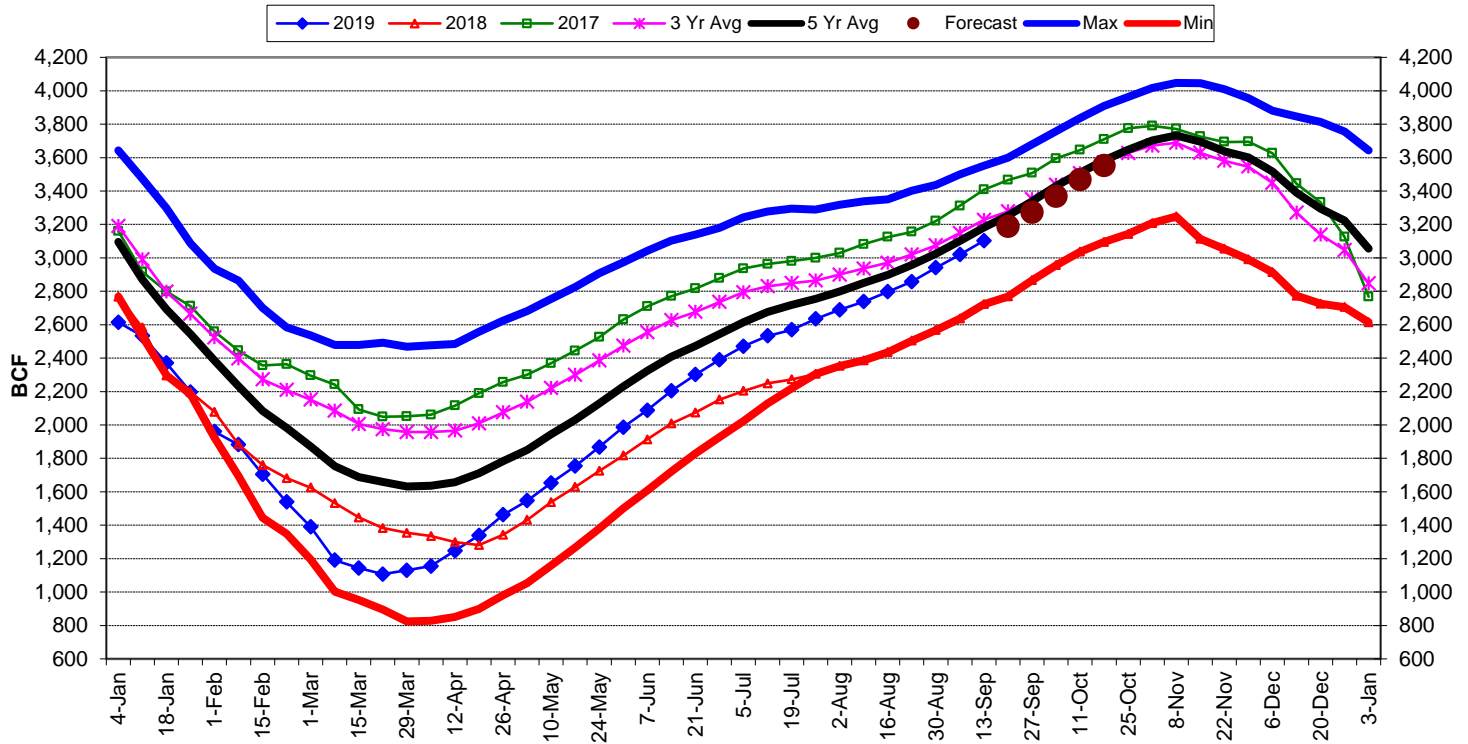
### \$/MMBtu Ratio of NYMEX CL and NG



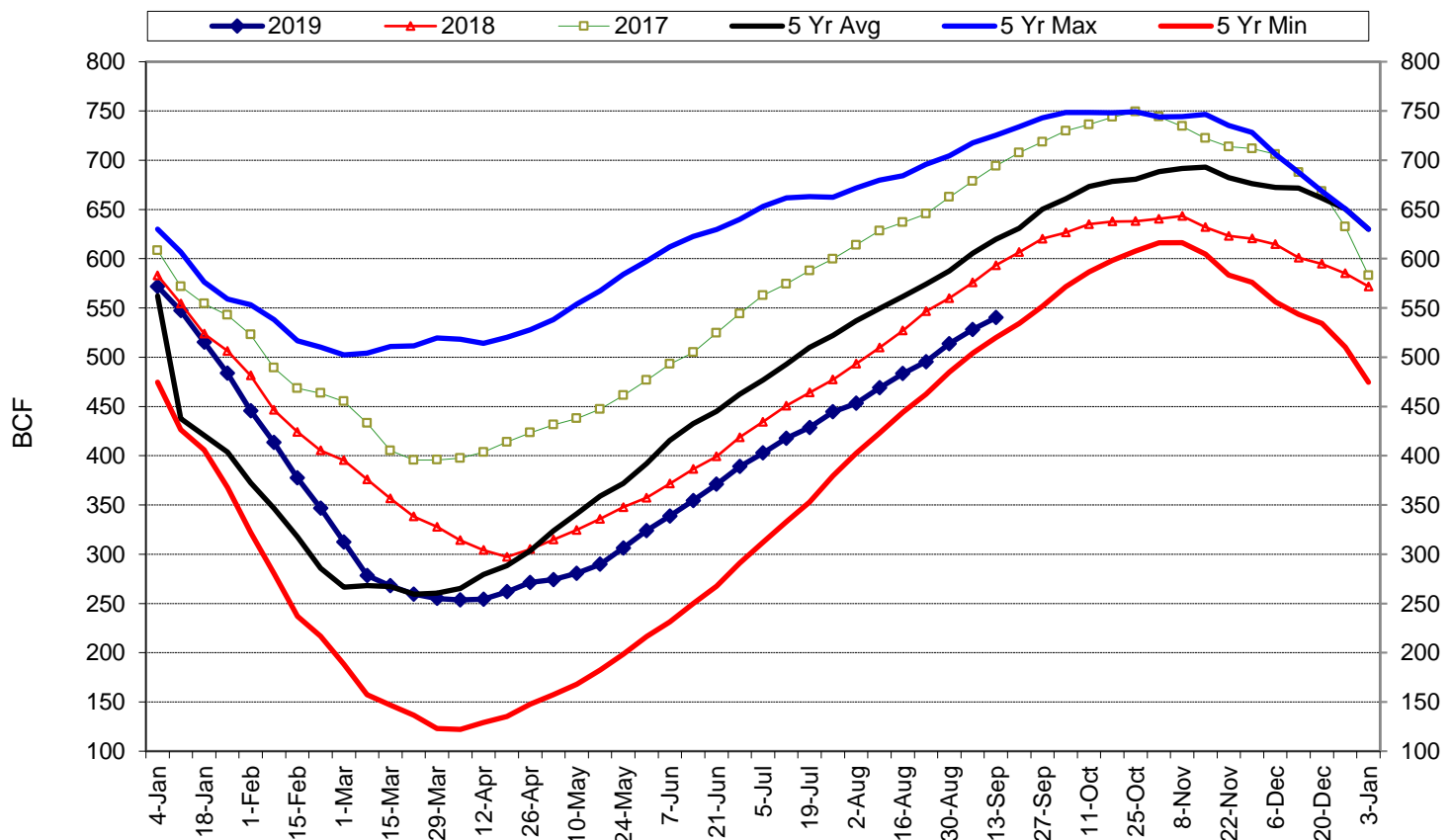
### NYMEX Calendar Strips



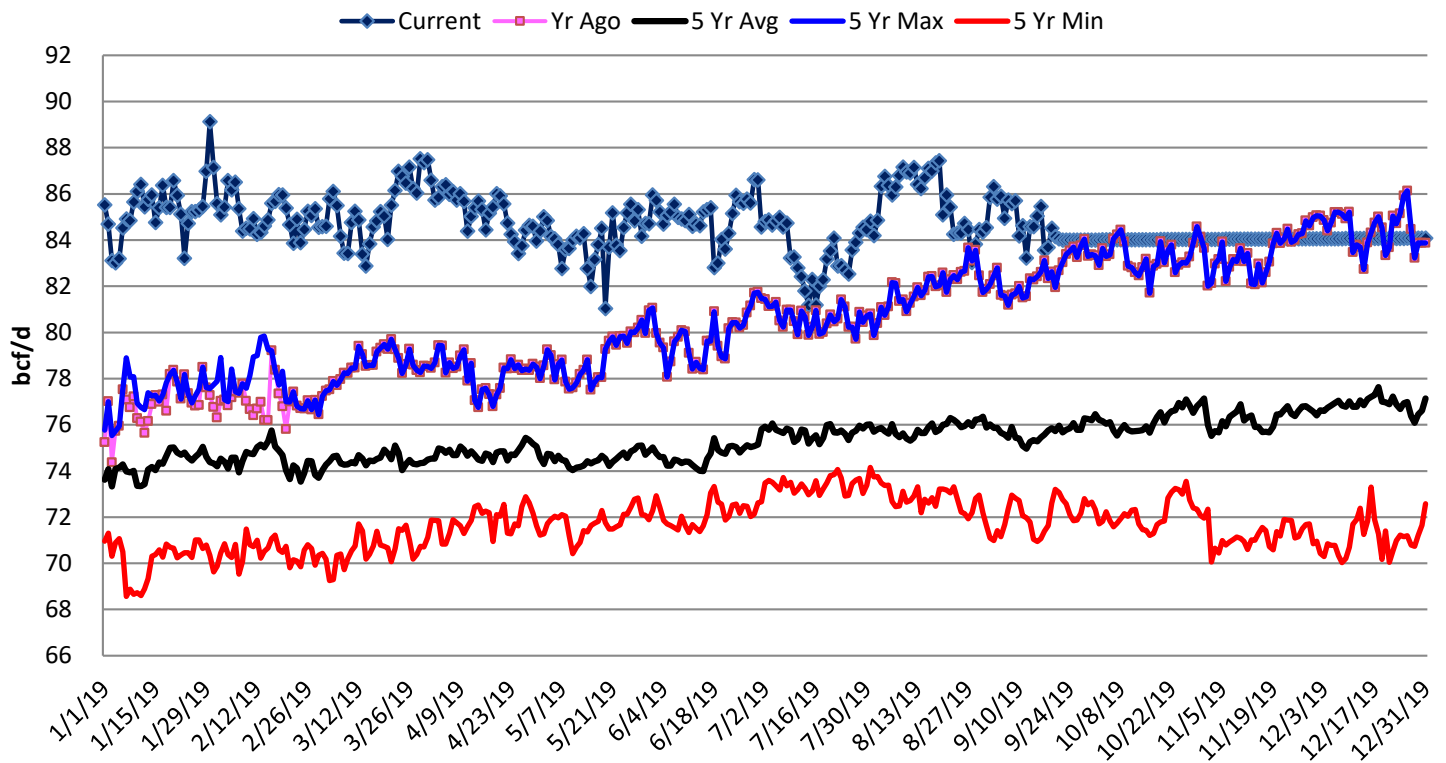
### US Total Working Gas Storage - Source - EIA



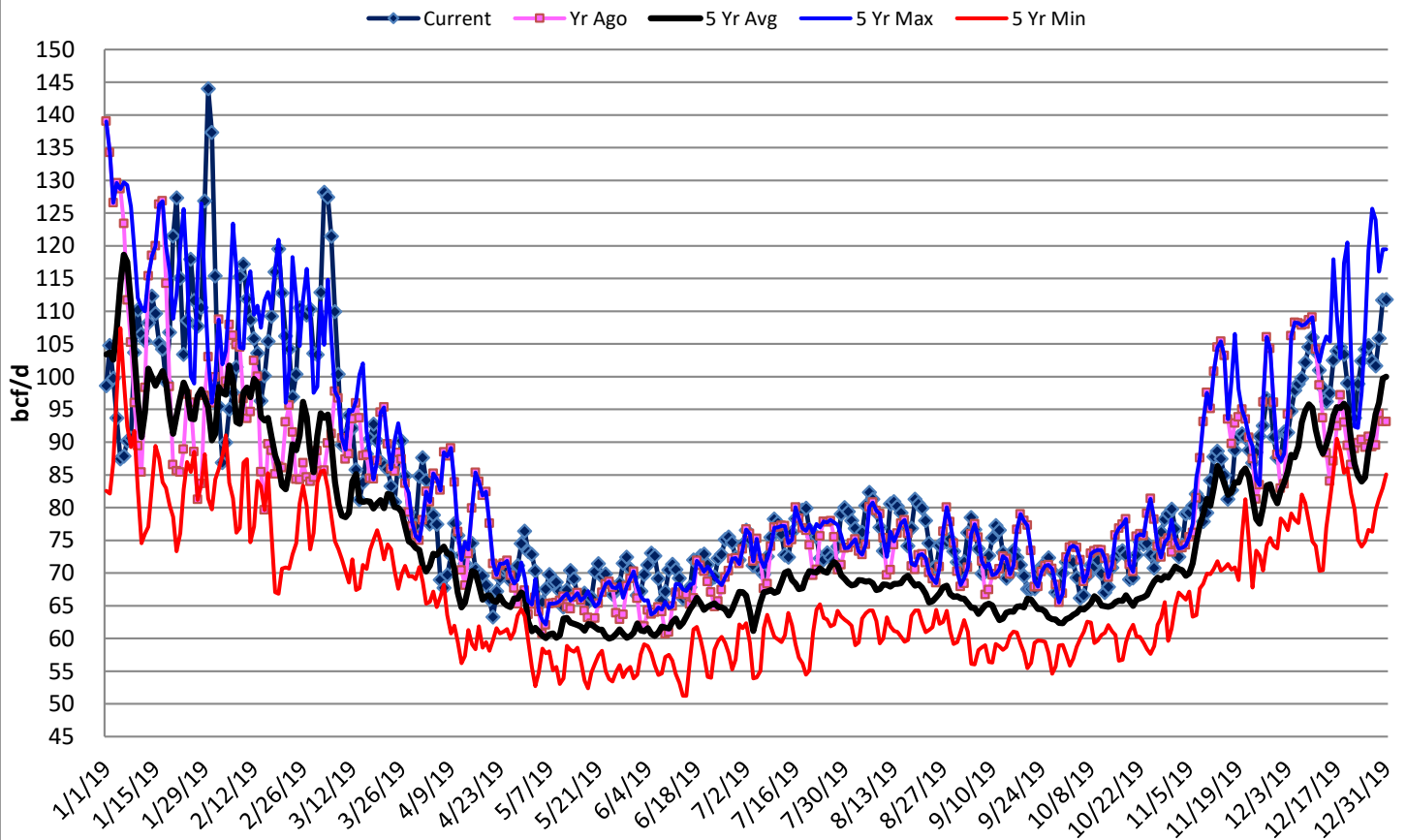
### Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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