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GAS FUNDAMENTALS DAILY

Supply & Demand Analytics for the Lower 48 Natural Gas Markets September 20, 2017

MARKET INTELLIGENCE

It's Coming, Record Production and Waning Shoulder Season Demand

by Warren Waite

The U.S. is poised to add market length, with strong production output and shoulder season demand quickly approaching. Demand forecasts call for gas consumption levels to drop by 5-10 Bcf/d within the next few weeks.
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Lower 48 Supply & Demand Balance

For more S&D data click here (Bcf/d)

	9/16/17	9/17/17	9/18/17	9/19/17	9/20/17	Δ Daily	Month to Date	Δ MTD Last Year	Season To Date	Δ STD Last Year
Modeled Wellhead	83.93	83.72	83.86	83.94	83.15	-0.80	83.16	3.90	81.28	1.24
Production Losses	9.33	9.29	9.27	9.28	9.19	-0.09	9.21	0.64	8.96	0.38
Modeled Dry	74.60	74.43	74.58	74.66	73.95	-0.71	73.96	3.26	72.32	0.86
Canada (Net Imports)	5.63	5.66	5.91	5.95	5.57	-0.39	5.42	-0.24	5.71	-0.41
LNG Imports	0.05	0.01	0.00	0.03	0.05	0.02	0.04	-0.03	0.04	0.03
Total Supply	**80.27**	**80.10**	**80.49**	**80.64**	**79.57**	**-1.08**	**79.41**	**2.99**	**78.06**	**0.48**
Power	29.41	30.00	31.83	32.82	33.26	0.43	28.37	-3.29	28.84	-2.56
Industrial	19.50	19.50	19.52	19.47	19.40	-0.07	19.76	0.40	19.84	0.06
Res/Com	7.85	7.72	6.92	7.10	6.87	-0.23	6.84	-0.14	7.70	-2.02
Total Consumption	56.75	57.21	58.28	59.39	59.53	0.14	54.97	-3.02	56.38	-4.52
LNG Exports	2.89	2.84	2.80	2.92	2.91	-0.02	1.83	0.91	2.00	1.34
Mexico Exports	3.84	4.02	4.01	4.16	4.13	-0.03	4.15	0.01	4.24	0.34
Fuel & Pipe Loss	6.30	6.35	6.47	6.59	6.61	0.02	6.10	-0.34	6.12	-0.49
Total Demand	**69.79**	**70.43**	**71.55**	**73.06**	**73.18**	**0.11**	**67.05**	**-2.44**	**68.74**	**-3.34**
Implied Storage	**10.48**	**9.67**	**8.94**	**7.58**	**6.39**	**-1.19**	**12.36**	**5.44**	**9.33**	**3.82**

Dry Production By Region

For more Production data click here (MMcf/d)

	9/16/17	9/17/17	9/18/17	9/19/17	9/20/17	Δ Daily	Month to Date	Δ MTD Last Year	Season To Date	Δ STD Last Year
Northeast	24,112	24,080	24,238	24,190	23,922	-268	24,045	2,632	23,322	1,726
Southeast	6,104	6,110	6,080	6,086	6,105	20	6,078	1,215	5,538	620
Mid-Continent	8,993	9,016	9,002	9,067	8,872	-195	8,943	-344	9,039	-376
Texas	17,338	17,239	17,264	17,378	17,210	-167	17,085	-93	16,821	-738
Rocky Mountains	10,906	10,921	10,875	10,916	10,876	-40	11,028	34	10,842	-74
Western	3,706	3,681	3,701	3,622	3,512	-110	3,635	20	3,550	-7
Gulf of Mexico	3,439	3,383	3,422	3,406	3,456	50	3,143	-204	3,206	-288
Total	**74,598**	**74,430**	**74,582**	**74,665**	**73,953**	**-710**	**73,957**	**3,260**	**72,318**	**863**

Storage

For more Storage data click here (Bcf)

	EIA						Forecast		
	Est. Capacity	Week Ending	Current Volume	% Full	Last Year	5-Year Avg.	9/14/17	9/21/17	9/28/17
East	989	9/8/17	809	81.8	829	793	24	21	32
Midwest	1,194	9/8/17	906	75.9	950	896	30	28	30
Mountain	277	9/8/17	208	75.1	227	195	4	4	2
Pacific	415	9/8/17	296	71.3	316	335	4	6	3
South Central	1,497	9/8/17	1,092	72.9	1,168	1,049	28	21	17
Weekly Totals	**4,372**	**9/8/17**	**3,311**	**75.7**	**3,490**	**3,268**	**90**	**80**	**84**

Regional Supply & Demand Balances

(MMcf/d)

	9/16/17	9/17/17	9/18/17	9/19/17	9/20/17	Δ Daily	Month to Date	Δ MTD Last Year	Season To Date	Δ STD Last Year
Northeast										
Dry Production	24,112	24,080	24,238	24,190	23,922	-268	24,045	2,632	23,322	1,726
Demand	13,755	13,588	13,959	14,310	14,699	389	11,708	-2,083	12,150	-3,175
Net Flows	-7,937	-7,661	-7,552	-7,333	-7,404	-71	-8,004	-2,361	-7,211	-1,911
Implied Storage	**2,421**	**2,831**	**2,727**	**2,546**	**1,819**	**-728**	**4,333**	**2,354**	**3,962**	**2,991**
Southeast										
Dry Production	6,104	6,110	6,080	6,086	6,105	20	6,078	1,215	5,538	620
Demand	16,011	16,637	16,721	17,019	16,901	-117	14,798	-1,521	15,469	-1,117
Net Flows	13,851	13,570	13,729	13,788	13,940	152	13,034	-96	13,274	632
Implied Storage	**3,944**	**3,043**	**3,088**	**2,855**	**3,144**	**289**	**4,313**	**2,639**	**3,342**	**2,369**
Mid-Continent										
Dry Production	8,993	9,016	9,002	9,067	8,872	-195	8,943	-344	9,039	-376
Demand	10,747	10,899	11,690	11,511	11,778	267	11,033	444	11,433	-651
Net Flows	8,348	8,270	8,332	8,603	9,024	421	8,019	1,487	7,385	-175
Implied Storage	**6,595**	**6,387**	**5,644**	**6,159**	**6,118**	**-41**	**5,930**	**699**	**4,992**	**100**
Texas										
Dry Production	17,338	17,239	17,264	17,378	17,210	-167	17,085	-93	16,821	-738
Demand	10,629	10,717	10,695	11,271	11,020	-251	10,163	-997	10,884	144
Net Flows	-7,425	-7,585	-7,797	-7,935	-8,575	-640	-7,359	-1,204	-6,787	-478
Implied Storage	**-716**	**-1,063**	**-1,228**	**-1,828**	**-2,385**	**-557**	**-438**	**-299**	**-850**	**-1,360**
Rocky Mountains										
Dry Production	10,906	10,921	10,875	10,916	10,876	-40	11,028	34	10,842	-74
Demand	2,239	2,204	2,125	2,162	2,169	7	2,215	3	2,323	-102
Net Flows	-7,196	-7,190	-7,079	-7,225	-7,412	-187	-7,301	508	-7,402	-221
Implied Storage	**1,471**	**1,527**	**1,671**	**1,529**	**1,295**	**-234**	**1,512**	**538**	**1,117**	**-192**
Western										
Dry Production	3,706	3,681	3,701	3,622	3,512	-110	3,635	20	3,550	-7
Demand	9,674	9,522	9,557	9,710	9,574	-136	11,154	794	10,243	-107
Net Flows	7,025	7,071	7,190	6,759	6,811	51	7,444	488	6,839	-353
Implied Storage	**1,057**	**1,231**	**1,334**	**671**	**749**	**78**	**-74**	**-286**	**146**	**-253**
Gulf of Mexico										
Dry Production	3,439	3,383	3,422	3,406	3,456	50	3,143	-204	3,206	-288

Regional Flows

For more Regional Flows data click here

(MMcf/d)

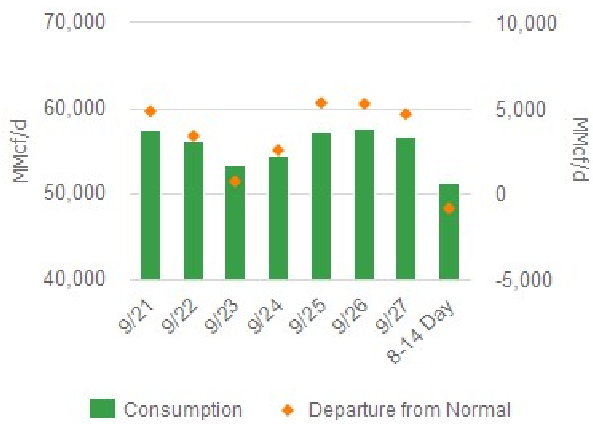
	9/16/17	9/17/17	9/18/17	9/19/17	9/20/17	Δ Daily	Month to Date	Δ MTD Last Year	Season To Date	Δ STD Last Year
Canada to Rocky Mountain	5,419	5,419	5,570	5,423	5,147	-276	5,265	56	5,129	-37
Canada to Western	788	782	782	810	846	36	857	-174	1,083	-82
Gulf of Mexico to Southeast	4,885	4,830	4,920	4,816	4,836	20	4,429	-1,056	4,623	-795
Mid-Continent to Canada	592	461	393	320	436	116	746	36	644	121
Mid-Continent to Texas	700	756	648	597	184	-413	697	-655	1,002	79
Northeast to Canada	676	670	574	478	588	110	629	369	514	428
Northeast to Mid-Continent	1,731	1,744	1,678	1,783	1,617	-167	2,060	866	1,334	41
Northeast to Southeast	5,529	5,247	5,300	5,168	5,307	139	5,326	1,136	5,405	1,833
Rocky Mountain to Mid-Continent	6,608	6,580	6,595	6,606	6,562	-44	6,282	-224	6,627	100
Rocky Mountain to Western	6,007	6,029	6,054	5,872	5,819	-53	6,267	-245	5,946	-490
Southeast to Mid-Continent	613	569	576	430	622	192	430	-66	435	-60
Texas to Mexico	3,500	3,705	3,688	3,798	3,791	-6	3,217	-169	3,457	288
Texas to Southeast	4,049	4,063	4,084	4,233	4,418	185	3,708	-242	3,758	-387
Texas to Western	975	973	1,073	888	883	-4	1,127	955	613	373
Western to Mexico	791	759	765	808	784	-24	803	46	763	10

Lower 48 Demand Forecast

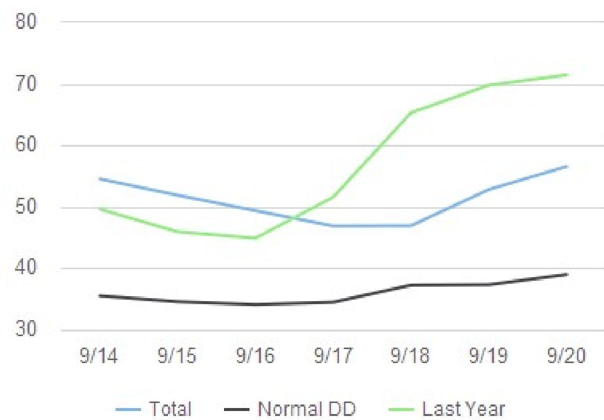
(MMcf/d)

	9/21/17	9/22/17	9/23/17	9/24/17	9/25/17	9/26/17	9/27/17	8-14 Day
Power	31,942	30,955	27,909	28,168	30,772	30,791	29,840	24,598
Industrial	19,284	19,278	19,246	19,300	19,451	19,583	19,704	19,920
Res/Com	6,331	5,994	6,300	7,045	7,187	7,263	7,238	6,856
Consumption	**57,558**	**56,227**	**53,455**	**54,513**	**57,410**	**57,637**	**56,782**	**51,373**
Departure from Normal	4,824	3,381	729	2,549	5,313	5,253	4,656	-852
Normal Temperature (°F)	71	70	70	70	70	69	70	67
Departure from Normal (°F)	4	4	3	4	4	4	2	1

Demand Forecast



Population Weighted Degree Days



Population Adjusted Weather

	9/16/17	9/17/17	9/18/17	9/19/17	9/20/17	Normal DD	Normal DD MTD	Total DD MTD Last Year	Difference	Demand (MMcf/d)
Northeast	9	8	6	7	9	1	58	172	-114	13,230
Southeast	15	15	15	15	15	13	232	321	-89	15,212
Mid-Continent	10	7	4	7	12	1	60	151	-91	10,601
Texas	19	19	19	21	21	16	307	372	-65	9,919
Rocky Mountains	-9	-7	-1	-2	-3	0	64	31	33	1,952
Western	6	5	4	4	3	7	206	126	80	8,617
Lower 48	**10**	**9**	**8**	**9**	**10**	**5**	**144**	**197**	**-53**	**59,532**

Futures Summary

Month	Natural Gas ($/MMBtu)				WTI Crude Oil ($/bbl)			
	Settlement	Change	High	Low	Settlement	Change	High	Low
Oct-17	3.122	-0.024	3.166	3.120	49.48	-0.43	50.42	49.33
Nov-17	3.175	-0.020	3.214	3.173	49.90	-0.45	50.82	49.73
Dec-17	3.319	-0.018	3.353	3.316	50.24	-0.42	51.10	50.08
Jan-18	3.419	-0.017	3.450	3.414	50.50	-0.40	51.29	50.33
Feb-18	3.419	-0.014	3.446	3.412	50.69	-0.38	51.42	50.51
Mar-18	3.370	-0.011	3.391	3.359	50.82	-0.36	51.52	50.64
Apr-18	2.986	0.000	2.990	2.968	50.90	-0.33	51.50	50.72
May-18	2.947	0.000	2.950	2.931	50.94	-0.30	51.54	50.88
Jun-18	2.970	0.000	2.972	2.954	50.95	-0.28	51.54	50.73
Jul-18	2.993	0.000	2.993	2.976	50.93	-0.27	51.42	50.73
Aug-18	2.996	0.001	2.996	2.980	50.91	-0.26	51.43	50.69
Sep-18	2.975	0.001	2.975	2.959	50.89	-0.26	51.36	50.68
Oct-18	2.997	0.002	2.999	2.981	50.88	-0.25	51.32	50.49
Nov-18	3.046	0.002	3.047	3.031	50.87	-0.25	51.27	51.00
Dec-18	3.180	0.003	3.182	3.159	50.87	-0.25	51.42	50.62
Jan-19	3.267	0.003	3.268	3.253	50.83	-0.25	51.24	51.23
Bal Season	3.122	-0.024	3.166	3.120	49.48	-0.43	50.42	49.33
Next Winter	3.340	-0.016	3.371	3.335	50.43	-0.40	51.23	50.26
Next Summer	2.981	0.001	2.982	2.964	50.91	-0.28	51.44	50.70

Natural Gas Spot Prices

For more Price data click here

(US$/MMBtu)

Hub	Weighted Avg	Δ Daily	Cash Basis	Δ Cash Basis
APPALACHIA				
Columbia Gas, App. (TCO)	3.009	0.039	-0.126	0.010
Dominion, North Point	1.680	0.220	-1.455	0.191
Dominion, South Point	1.704	0.247	-1.431	0.218
Lebanon Hub	2.981	0.036	-0.154	0.007
Leidy-Transco	1.666	0.246	-1.469	0.217
Millennium EP	1.673	0.213	-1.462	0.184
TETCO-M2 (receipt)	1.675	0.275	-1.460	0.246
NORTHEAST				
Algonquin, Citygates	2.490	0.383	-0.645	0.354
Iroquois-Z2	3.179	0.340	0.044	0.311
TETCO-M3	1.799	0.258	-1.336	0.229
Transco-Z5 (non-WGL)	3.205	0.016	0.070	-0.013
Transco-Z6 (non-NY north)	2.444	0.355	-0.691	0.326
Transco-Z6 (non-NY)	2.448	0.368	-0.687	0.339
Transco-Z6 (NY)	3.161	0.081	0.026	0.052
SOUTHEAST				
ANR-LA	3.030	0.005	-0.105	-0.024
ANR-SE	3.030	0.005	-0.105	-0.024
Columbia Gulf, LA	3.071	0.030	-0.064	0.001
Columbia Gulf, Mainline	3.050	0.050	-0.085	0.021
Florida Gas, zone 1	3.161	0.053	0.026	0.024
Florida Gas, zone 2	3.158	0.060	0.023	0.031
Florida Gas, zone 3	3.154	0.052	0.019	0.023
Henry Hub	3.135	0.029	0.000	0.000
Sonat-T1	3.129	0.036	-0.006	0.007
TETCO-ELA	3.050	0.025	-0.085	-0.004
TETCO-M1 30	3.061	0.001	-0.074	-0.028
TETCO-WLA	3.053	0.013	-0.082	-0.016
TGP-500L	3.129	0.047	-0.006	0.018
TGP-800L	3.067	0.027	-0.068	-0.002
TGT-Mainline (TGT-ZN1)	3.020	0.018	-0.115	-0.011
TGT-SL	2.966	-0.034	-0.169	-0.063
Transco-65 (ZN3)	3.140	0.050	0.005	0.021
Transco-85 (ZN4)	3.129	0.035	-0.006	0.006
Trunkline-ELA	3.032	0.040	-0.103	0.011
Trunkline-Z1A	3.023	0.034	-0.112	0.005
CALIFORNIA				
Malin	2.749	-0.071	-0.386	-0.100
PG&E-Citygate	3.362	-0.034	0.227	-0.063
PG&E-Topock	2.746	-0.047	-0.389	-0.076
SoCal Border	2.871	-0.004	-0.264	-0.033
SoCal-Citygate	3.103	-0.127	-0.032	-0.156
CANADIAN HUBS				
Dawn, Ontario	3.111	0.046	-0.024	0.017
Emerson, Viking GL	2.798	0.074	-0.337	0.045
GTN, Kingsgate	2.505	-0.100	-0.630	-0.129
Iroquois (into)	3.085	0.036	-0.050	0.007
Sumas	2.677	-0.019	-0.458	-0.048
TCPL AECO-C*	1.395	-0.141	-1.740	-0.170
Westcoast-STA2*	1.209	0.042	-1.926	0.013

Hub	Weighted Avg	Δ Daily	Cash Basis	Δ Cash Basis
NORTHEAST TEXAS				
Carthage	3.021	-0.011	-0.114	-0.040
NGPL-TXOK	2.975	0.018	-0.160	-0.011
TETCO-ETX	3.035	0.001	-0.100	-0.028
SOUTHEAST TEXAS				
Houston Ship Channel	3.047	0.009	-0.088	-0.020
Katy	3.034	-0.005	-0.101	-0.034
Katy-Lonestar Inter	3.075	0.035	-0.060	0.006
Transco-45 (ZN2)	3.037	-0.051	-0.098	-0.080
SOUTH TEXAS				
NGPL-STX	3.025	0.031	-0.110	0.002
TETCO-STX	3.050	0.025	-0.085	-0.004
TGP-Z0	2.970	0.008	-0.165	-0.021
Transco-30 (ZN1)	3.055	0.034	-0.080	0.005
WEST TEXAS				
El Paso, Permian	2.575	-0.060	-0.560	-0.089
EL Paso, Waha	2.635	-0.104	-0.500	-0.133
TW-Permian	2.604	-0.035	-0.531	-0.064
LOWER MIDCONTINENT				
ANR, OKLA	2.746	-0.034	-0.389	-0.063
Demarc	2.878	-0.019	-0.257	-0.048
EGT-East	2.985	0.054	-0.150	0.025
EGT-South (EGT-Flex)	3.061	0.056	-0.074	0.027
NGPL, Midcontinent	2.860	0.009	-0.275	-0.020
Oneok-OK	2.633	-0.002	-0.502	-0.031
Panhandle	2.714	-0.011	-0.421	-0.040
Southern Star	2.731	0.031	-0.404	0.002
MIDWEST				
ANR-Joliet Hub (Joliet)	3.020	0.020	-0.115	-0.009
Chicago Citygates	3.025	0.024	-0.110	-0.005
Consumers Citygate	3.054	0.011	-0.081	-0.018
Michcon	3.031	0.026	-0.104	-0.003
NBPL-Ventura	2.938	0.053	-0.197	0.024
NGPL-Amarillo Rec.	2.875	-0.014	-0.260	-0.043
ROCKY MOUNTAINS				
Cheyenne Hub	2.680	-0.039	-0.455	-0.068
CIG Mainline	2.651	-0.024	-0.484	-0.053
CIG, Rockies	2.660	-0.020	-0.475	-0.049
NW, Wyo. Pool	2.655	-0.020	-0.480	-0.049
NWP-Rocky Mtn	2.670	-0.012	-0.465	-0.041
Opal	2.689	-0.056	-0.446	-0.085
Opal Plant Tailgate	2.700	-0.050	-0.435	-0.079
White River Hub	2.670	-0.050	-0.465	-0.079
SOUTHWEST				
El Paso, South Mainline	2.769	-0.106	-0.366	-0.135
Kern River, delivered	2.787	-0.033	-0.348	-0.062
SAN JUAN BASIN				
El Paso, Bondad	2.594	-0.057	-0.541	-0.086
El Paso, San Juan	2.592	-0.067	-0.543	-0.096
TW-Blanco	2.613	-0.037	-0.522	-0.066

* Reported in CN$/GJ

All natural gas prices are assessed by OPIS. For methodology click here

New Points

For more New Points click here (MMcf/d)

Name	Created	Pipeline	Type	Dir	State	County	9/20/17	7 Day Avg
Eunice Total	09/19/17	ANR Pipeline	CMP	T	LA	Acadia	693	192
Diversified Oil & Gas PSP1246281	09/18/17	National Fuel Gas Supply	SUP	R	PA	Jefferson	0	0
DISC DJ/CIG Prairie Wolf Receipt WE	09/15/17	Colorado Interstate Gas	GPP	R	CO	Weld	3	1
Kroger Benton 130 Acct	09/14/17	Enable Gas Transmission	IND	D	AR	Saline	0	0
Blue Mountain Chisholm Trail	09/13/17	Southern Star Central Gas Pipeline	SUP	R	OK	Grady	0	0
TETCO MIDLA to Spilman WPF	09/13/17	American Midstream Midla	ITE	D	LA	West Feliciana	0	0
TETCO MIDLA to Centerville	09/13/17	American Midstream Midla	ITE	D	MS	Wilkinson	0	0
TETCO MIDLA to Angola WPF	09/13/17	American Midstream Midla	ITE	D	LA	West Feliciana	0	0
TPC/Fortigen Nitrogen Fillmore	09/11/17	Trailblazer Pipeline	IND	D	NE	Fillmore	0	0
East Painter Line Constraint Decreasing	09/07/17	Northwest Pipeline	CMP	M	WY	Uinta	-	-

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It's Coming, Record Production and Waning Shoulder Season Demand

by Warren Waite

Dry gas production in the contiguous U.S. continues to oscillate around the 74 Bcf/d mark, with Sept. 20 estimated beginning the gas day a few ticks short at 73.96 Bcf. If recent intraday 3 cycle upward revision trends continue, then Sept. 20 could hit 74.5 Bcf, on par with the prior five day average.

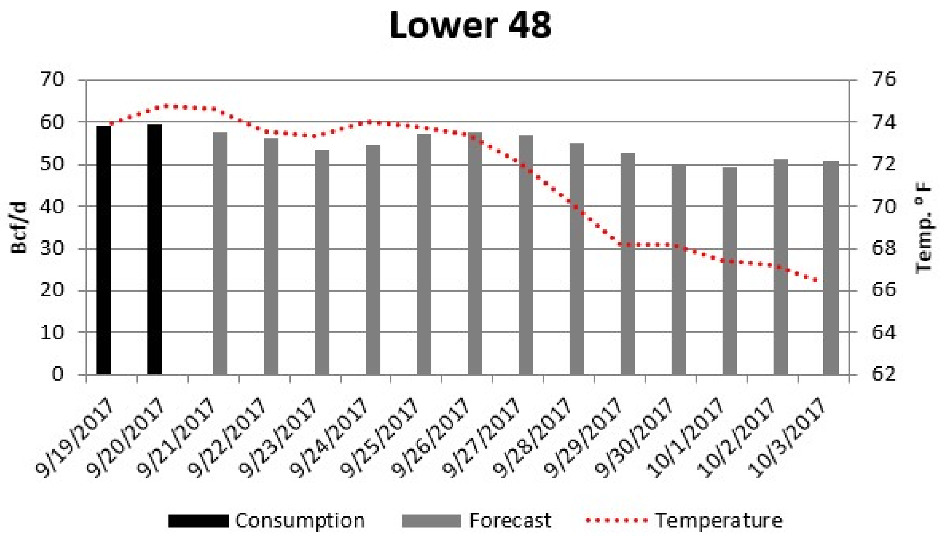
Region	09/20/17 Evening Cycle Volumes	Δ 1 Day	Δ 30 Day	Prior Day ID3 Revision	Prior 14 Day ID3 Rev. Average	Implied 09/20/17 ID3 Volume
Gulf of Mexico	3,456	50	1,261	(85)	22	3,478
Midcon	8,872	(195)	(92)	27	117	8,989
Northeast	23,922	(268)	24	356	14	23,936
Rockies	10,886	(30)	(187)	65	77	10,963
Southeast	6,105	20	162	(10)	160	6,265
Texas	17,210	(167)	352	177	198	17,409
Western	3,512	(110)	(97)	96	(28)	3,484
Lower 48	73,964	(700)	616	626	559	74,523

Wednesday’s reduction in production output is widespread among regions with the Northeast accounting for 0.27 Bcf of the 0.70 Bcf day-on-day decrease. Within the Northeast, NE PA-Dry, as usual, began the gas down 0.16 Bcf but looking at upward ID3 cycle historical range of 0.15 - 0.63 Bcf would mean it could likely settle as a daily gain. The rest of the Marcellus and Utica combined for a 0.16 Bcf daily net loss.

The Midcon decreased by 0.20 Bcf on Wednesday, based on Evening Cycle results. Here, the Cana Woodford makes up about half of the downturn as production output on Enable and NNG was reduced.

Texas production declined by 0.17 Bcf and Western regional production dipped by 0.11 Bcf, both regional decreases were weighted by losses in the Permian. However, in recent days ID3 revisions have been positive, so today’s production losses in the Permian may end up be negated by the final gas cycle.

Consumption



After today, Sept. 20 it maybe a number of weeks until the market regains gas consumption levels near 60 Bcf/d. Power, Industrial and ResCom demand for Sept 20. is registering 59.4 Bcf. However, PointLogic demand models place demand on a downward track for the next several weeks, regressing towards 50 Bcf/d and below of demand by the end of September. U.S. population-weighted temperatures are forecast to fall just a hair above 65 degrees within the next few weeks.

Day-on-day gas consumption increased by 0.38 Bcf to settle at 59.4 Bcf. Powerburn increases in the Midcon and Northeast were the driving force of the incremental daily demand.

LNG

LNG exports have topped 2.9 Bcf/d in three of the last five gas days as Sabine Pass trains 1-4 are fully utilized. However, September began under a much different scenario as Sabine dealt with the aftermath of Hurricane Harvey in late-August. Tanker traffic basically ceased for a period of time, onsite storage was full and feed gas deliveries averaged 0.4 Bcf/d in the first week of September. By the second week of September Sabine Pass LNG quickly topped 2 Bcf/d and as of late is flirting with feedgas demand near 3 Bcf/d. Month-to-date feed gas has averaged 1.8 Bcf/d, but if the 2.9 Bcf/d of recent days continues through month's end, then September could end up averaging 2.18 Bcf/d, or the same as July’s monthly average and 0.4 Bcf/d above August.