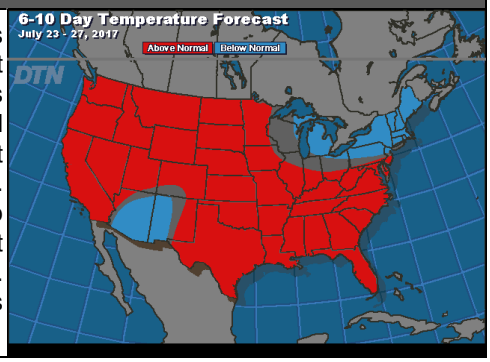
SOURCE REPORT

July 18, 2017

Gas futures continued to build on yesterday's gains. The prompt August contract is back to where it was the last time it tried to break out of this range in late June. It failed then (black circle) and traders are watching closely to see if it happens again. The last time the contract failed to break above the $3.084 line it quickly fell 25 cents or nearly 10%. It's taken three weeks to get back to that level. In that time the Canadian dollar has gained nearly 3 cents on the US dollar (black line).

As a result of the increase in the Canadian dollars spot gas prices have also decreased while longer term prices have come down. This weeks' storage report is providing support for the market with expectations for a small build near 30 Bcf.

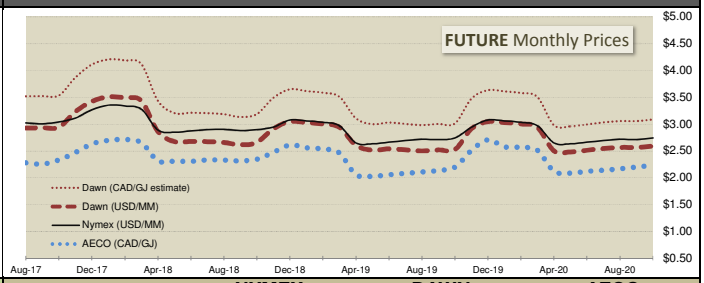
The lower storage build is directly related to a 10% increase in power sector gas demand last week. (MB)



NATURAL GAS MARKETS

CASH Markets

FUTURES Markets



Cash Market

Settlement Date: Jul 17, 2017	DAWN US$/MM	DAWN estimated CAD$/GJ	AECO CAD$/GJ
Jul 17, 2017	$2.96 ▲ $0.09	$3.56 ▲ $0.11	$2.27 ▼ ($0.04)
Month to Date (Indicative Daily Average)	$2.86	$3.44	$2.05
June 2017 (Published Daily Avg)	$2.89	$3.66	$2.40
Hi Avg Price (52 Week)	$4.53	$5.44	$3.78
Lo Avg Price (52 Week)	$2.01	$2.42	$0.68

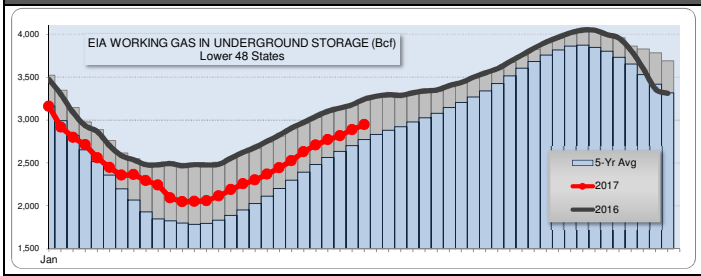
Futures Market

All prices are indications only. Please call for updated pricing.	NYMEX US$/MM	DAWN US$/MM	AECO CAD$/GJ
Prompt Aug17	$3.02 ▲ $0.04	$2.93 ▲ $0.04	$2.28 ▲ $0.02
Rest of Summer17 (Aug17-Oct17)	$3.02 ▲ $0.04	$2.93 ▲ $0.04	$2.29 ▲ $0.02
Winter18 (Nov17 Mar18)	$3.27 ▲ $0.03	$3.42 ▲ $0.03	$2.63 ▲ $0.02
Summer18 (Apr18 Oct18)	$2.88 ▲ $0.00	$2.69 ▲ $0.00	$2.32 ▲ $0.00
Winter19 (Nov18 Mar19)	$3.02 ▲ $0.00	$2.99 ▲ $0.01	$2.53 ▼ ($0.00)

NATURAL GAS STORAGE

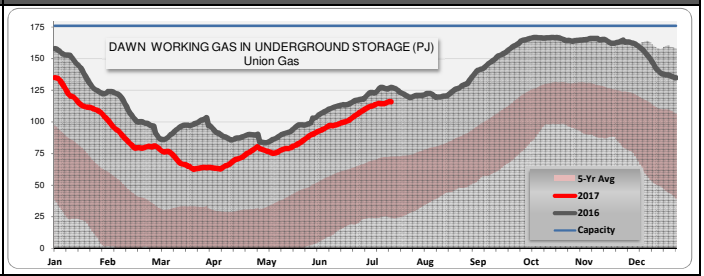
for the week ending July 7, 2017

EIA Storage



Last Week	2,945 Bcf	▲ 57	▲ 2%	Storage Level Estimates @	November 2017
Last Year	3,234	▼ (9%)	from Last Year	ESTIMATE #1 based on 2016	3,729 ▼ (6%) from 2016
5-Yr Avg	2,773	▲ 6%	from 5-Yr Avg	ESTIMATE #2 based on 5 Yr Avg	4,033 ▲ 4% from 5 Yr

DAWN Storage



Current	116 PJ	▲ 0.5	▲ 0%	Storage Level Estimates @	November 2017
Last Year	127	▼ (8.5%)	from Last Year	ESTIMATE #1 based on Previous Year	153 ▼ (7%)
5-Yr Avg	72	▲ 60%	from 5-Yr Avg	ESTIMATE #2 based on 5 Yr Avg	173 ▲ 32%

Alternate Fuel Report

Product	Market Price		Gas Equivalent (at Nymex)	
CRUDE ▼	$46.02	USD / Barrel	$7.82	USD / MM
HEATING OIL ▼	$1.50	USD / Gallon	$9.00	USD / MM
COAL ▬	$51.80	USD / Ton	$1.81	USD / MM

Currency Report

Market Price		Converting US/MM to CAD/GJ
CAD/USD	$0.79 ▲	USD/MM *divided by 1.055* = USD/GJ
USD/CAD	$1.27 ▼	USD/GJ *times* USD/CAD = CAD/GJ
Effect on CAD$ Pricing ▼		Example *$2.96* USD/MM = *$3.56* CAD/GJ

Gas Unit Conversions

GJ	MMBtu	M3
1 GJ = 0.948 MMBtu	1 MMBtu = 1.055 GJ	1000 m3 = 38 GJ
1 GJ = 26.5 m3	1 MMBtu = 27.9 m3	1000 m3 = 35 MM
1 GJ = 947.8 ft3	1 MMBtu = 1000 ft3	1000 m3 = 35,300 ft3

Your Morning Coffee!

The pharmacist asked me my birth date again today.
I'm pretty sure she's going to get me something.

CONTACT US ... We could talk about gas all day!

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