

MARKET UPDATE

7/13/17



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Market News

Market Recap - Natural gas spot prices fell at most locations this report week. The Henry Hub spot price fell from \$3.01 per million British thermal units (MMBtu) last Wednesday to \$2.90/MMBtu yesterday. At the New York Mercantile Exchange (Nymex), the July 2017 contract expired last Wednesday at \$3.067/MMBtu. The August 2017 contract price decreased to \$2.840/MMBtu yesterday, down 25¢ Wednesday to Wednesday.

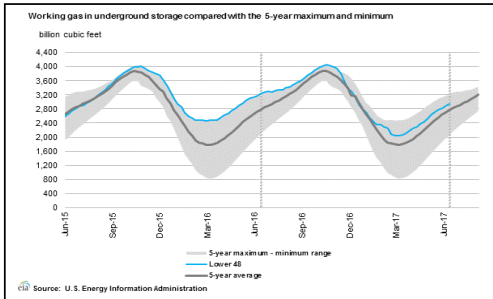
Storage Report - Working gas in storage was 2,945 Bcf as of Friday, July 7, 2017, according to EIA estimates. This represents a net increase of 57 Bcf from the previous week. Stocks were 289 Bcf less than last year at this time and 172 Bcf above the five-year average of 2,773 Bcf. At 2,945 Bcf, total working gas is within the five-year historical range.

Word on the Street - August Henry natural was lower overnight as it consolidates some of the rally off last Wednesday's low. Stochastics and the RSI remain neutral to bullish signaling that sideways to higher prices are possible near-term. If August extends the rally off last Wednesday's low, the 50-day moving average crossing at 3.139 is the next upside target.

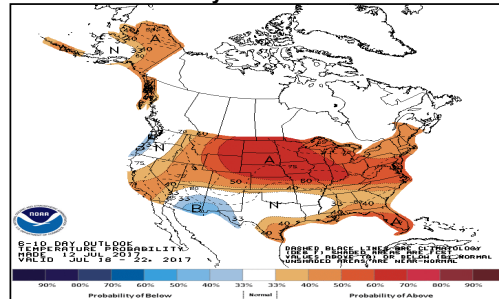
Observations - According to the National Oceanic and Atmospheric Administration (NOAA), total U.S. cooling degree days (CDD) in the summer of 2016 (June, July, and August) surpassed the record set in the summer of 2011. NOAA projects U.S. CDD for the summer of 2017 will be about 9% lower than last summer, although still slightly above the average of the previous 10 summers.,

EIA expects annual retail sales of electricity to the residential sector in 2017 will be 2.3% lower than sales in 2016 as a result of lower electricity consumption in the first and third quarters. Forecast annual electricity sales to the commercial sector are relatively unchanged this year from the 2016 level, because the effect of lower electricity consumption from milder weather offsets increased sales resulting from economic growth. Industrial sector electricity sales are expected to grow by 1.1% in 2017 after declining by 5.4% last year.

Inventories



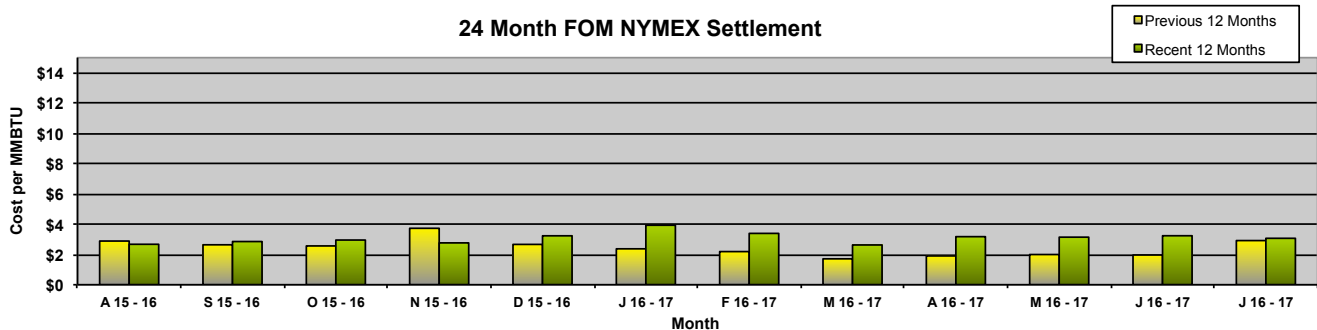
6-10 Day Forecast



Source: EIA			Updated - 7/12/2017 1:00 PM EST		Source: NWS	
Month	Last Price	Change			Summer / Winter	
Aug-17	\$3.00	0.02			Nov -17 - March 18	\$3.25
Sep-17	\$2.99	0.01			April 18 - Oct 18	\$2.86
Oct-17	\$3.02	0.02			Nov 18 - March 19	\$3.04
Nov-17	\$3.09	0.01			Strip Prices	
Dec-17	\$3.24	0.01			3 Month	\$3.00
Jan-18	\$3.33	0.01			6 Month	\$3.11
Feb-18	\$3.31	0.01			9 Month	\$3.12
Mar-18	\$3.25	0.01			1 Year	\$3.05
Apr-18	\$2.86	0.01			2 Year	\$2.96
May-18	\$2.83	0.01			3 Year	\$2.90
Jun-18	\$2.85	0.01				
Jul-18	\$2.87	0.00				

Source: Nymex

24 Month FOM NYMEX Settlement



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