

# MARKET UPDATE

12/1/16



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## Market News

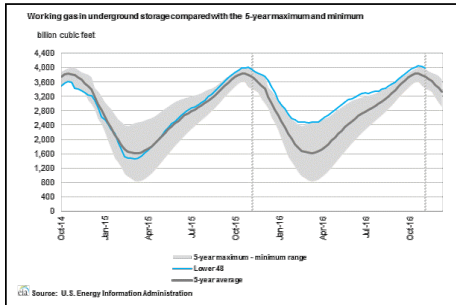
**Market Recap** - Natural gas spot prices rose at most locations this report week (Wednesday, November 23 to Wednesday, November 30). The Henry Hub spot price rose from \$2.74 per million British thermal units (MMBtu) last Wednesday to \$3.29/MMBtu yesterday. At the New York Mercantile Exchange (Nymex), the December 2016 contract expired Monday at \$3.232/MMBtu. The January 2017 contract increased through the week to \$3.352/MMBtu, up 21¢ Wednesday to Wednesday.

**Storage Report** - Working gas in storage was 3,995 Bcf as of Friday, November 25, 2016, according to EIA estimates. This represents a net decline of 50 Bcf from the previous week. Stocks were 24 Bcf higher than last year at this time and 235 Bcf above the five-year average of 3,760 Bcf. At 3,995 Bcf, total working gas is above the five-year historical range.

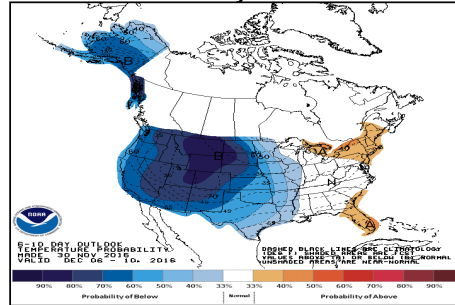
**Word on the Street** - January Henry natural was higher overnight as it extends the rally off November's low. Stochastics and the RSI are overbought but remain neutral to bullish signaling that sideways to higher prices are possible near-term. If January extends the aforementioned rally, October's high crossing at 3.675 is the next upside target.

**Observations** - This report week (Wednesday, November 23 to Wednesday, November 30), the Henry Hub spot price rose 55¢ from \$2.74/MMBtu last Wednesday to \$3.29/MMBtu yesterday. Prices increased at many trading locations at the end of the report week. Some market analysts cited forecasts of colder weather and predictions of a larger-than-average storage draw as reasons for the price increases. At the Chicago Citygate, prices increased 59¢ to \$3.29/MMBtu yesterday. Prices at PG&E Citygate in Northern California gained 41¢, to \$3.60/MMBtu yesterday. The price at SoCal Citygate rose 68¢ to settle at \$3.50/MMBtu yesterday. At the Algonquin Citygate, which serves Boston-area consumers, prices were essentially flat, falling 2¢ to \$2.94/MMBtu yesterday. The Algonquin price was elevated at the start of the report week because of cold weather in the Northeast between November 21 and 23. At the Transcontinental Pipeline Zone 6 trading point for New York, prices increased 55¢ to \$2.91/MMBtu yesterday, and are now quite close to Algonquin prices.

### Inventories



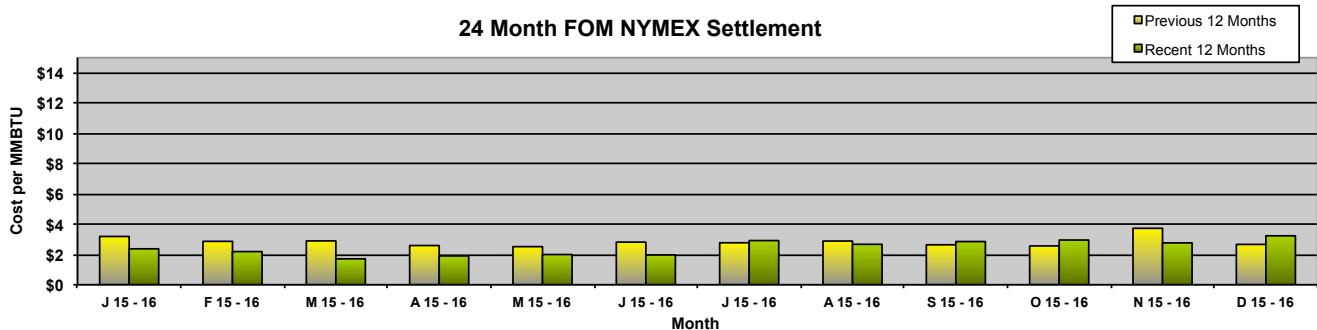
### 6-10 Day Forecast



Month	Last Price	Change	Updated - 12/02/2016 12:30 PM EST																							
Dec-16	\$3.23	0.02	<table border="1"> <thead> <tr> <th colspan="2">Summer / Winter</th> </tr> </thead> <tbody> <tr> <td>April 17 - Oct 17</td> <td>\$3.25</td> </tr> <tr> <td>Dec -16 - March 17</td> <td>\$3.32</td> </tr> <tr> <td>April 18 - Oct 18</td> <td>\$2.83</td> </tr> <tr> <th colspan="2">Strip Prices</th> </tr> <tr> <td>3 Month</td> <td>\$3.31</td> </tr> <tr> <td>6 Month</td> <td>\$3.29</td> </tr> <tr> <td>9 Month</td> <td>\$3.28</td> </tr> <tr> <td>1 Year</td> <td>\$3.28</td> </tr> <tr> <td>2 Year</td> <td>\$3.16</td> </tr> <tr> <td>3 Year</td> <td>\$3.07</td> </tr> </tbody> </table>		Summer / Winter		April 17 - Oct 17	\$3.25	Dec -16 - March 17	\$3.32	April 18 - Oct 18	\$2.83	Strip Prices		3 Month	\$3.31	6 Month	\$3.29	9 Month	\$3.28	1 Year	\$3.28	2 Year	\$3.16	3 Year	\$3.07
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Jan-17	\$3.35	0.04																								
Feb-17	\$3.36	0.02																								
Mar-17	\$3.33	0.01																								
Apr-17	\$3.23	0.00																								
May-17	\$3.22	-0.01																								
Jun-17	\$3.24	-0.01																								
Jul-17	\$3.27	-0.01																								
Aug-17	\$3.26	-0.01																								
Sep-17	\$3.24	-0.01																								
Oct-17	\$3.26	-0.01																								
Nov-17	\$3.31	-0.01																								

Source: Nymex

### 24 Month FOM NYMEX Settlement



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