

## Market perception of gas supply and demand has shifted

The fact that prices continued to rally in the face of a bearish storage report is a clear sign that the market's perception of supply and demand has shifted, said Bennett.

He sees EIA storage reports bringing some price volatility through the end of injection season, but remains bullish on the futures market going into the winter.

"I don't know if we have enough DUCs and current rig count to meet the demand of the upcoming winter without a significant storage drawdown," Bennett said in a telephone interview Tuesday. "Drilling a new well in the the middle of winter can be a difficult task and it takes awhile to bring that gas to market."

ConocoPhillips' Duncan said price volatility can cause extremes in most markets, making it even more important that forecasts peg winter gas and power demand accurately.

"You think we are going to have a cold winter? Yes," Duncan said. "Somebody is going to be cold."

Harry Weber, J. Robinson