

News Tracker:

-Natural gas spot prices were mixed for the period Wednesday, October 11 to Wednesday, October 18 (the Report Week). The Henry Hub spot price fell from \$2.93/MMBtu to \$2.81/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (Nymex), the November 2017 natural gas futures contract price fell 3¢ from \$2.889/MMBtu to \$2.854/MMBtu from beginning to end of the Report Week.

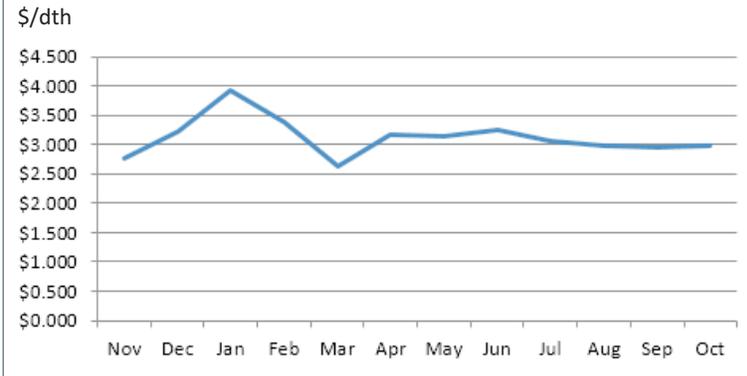
-Net injections into storage totaled 51 Bcf for the week ending October 13, 2017, compared with the five-year (2012-16) average net injection of 78 Bcf and last year's net injections of 77 Bcf during the same week. Increased power demand for natural gas contributed to decreased net injections compared with the previous report week. Working natural gas stocks are 3,646 Bcf, 5% lower than the year-ago level and 1% lower than the five-year (2012-16) average for this week. So far during the 2017 refill season, net injections into storage are 16% lower than the comparable five-year average 1,595 Bcf during the 2017 refill season compared with the five-year average increase of 1,895 Bcf. If net injections continue at 16% lower than the five-year average for the remaining three weeks, working gas stocks will reach 3,781 Bcf by the end of the refill season. Working gas stocks will total 3,807 Bcf if net injections into working gas match the five-year average for the remainder of the refill season. Temperatures in the Lower 48 states averaged 66 degrees Fahrenheit (°F), 7°F higher than the normal and 2°F higher than last year at this time.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 1¢, averaging \$7.93/MMBtu for the week ending October 18. The price of ethane fell by 1%. The price of natural gasoline rose by 2%. The prices of propane, butane, and isobutane were essentially flat.

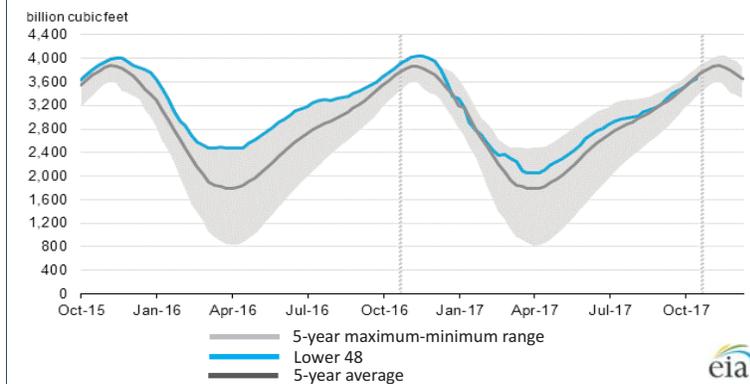
-According to Baker Hughes, for the week ending Friday, October 13, the natural gas rig count decreased by 2 to 185. The number of oil-directed rigs fell by 5 to 743. The total rig count decreased by 8, and it now stands at 928.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Nov 2016 - Oct 2017:



Working nat. gas in underground storage as of October 13, 2017



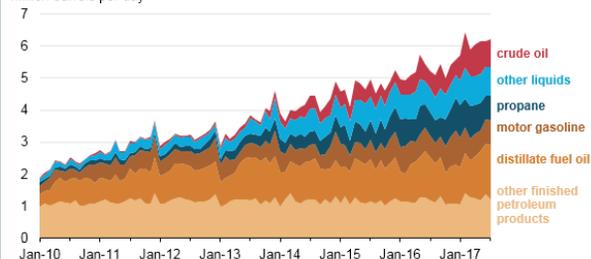
Forward 12-month NYMEX natural gas strip price - Nov17-Oct18:

Process Load-weighted \$3.021/dth - w/o/w = ▲\$0.017
 Typical Heat Load-weighted \$3.070/dth - w/o/w = ▲\$0.009

US crude oil and petroleum product exports reach record levels in the first half of 2017:

US crude oil exports in the first half of 2017 increased by more than 300,000 barrels per day (b/d) from the first half of 2016, reaching a record high of 0.9 million b/d. Petroleum product exports also grew over the same period with propane and distillate exports reaching record highs of 0.9 million b/d and 1.3 million b/d, respectively. Following the removal of restrictions on exporting US crude oil in December 2015, total volumes of crude oil exports and the number of destinations for those exports both increased. The US exported crude oil to 26 countries in the first half of 2017 compared with 17 countries in the first half of 2016. Canada remained the largest recipient of US crude oil exports at 248k b/d in the first half of 2017 (down from 46k b/d in the first half of 2016). China increased its crude oil imports from the US by 154k b/d and became the second-largest importer of US crude oil, averaging 163k b/d in the first half of the year. Distillate exports in the first half of 2017 were 14% higher than in the first half of 2016, with exports to South and Central America accounting

U.S. exports of crude oil and petroleum products (Jan 2010-Jul 2017)
 million barrels per day



Source: U.S. Energy Information Administration, *Petroleum Supply Monthly*



for most of this growth. Mexico remained the largest single destination for US distillate, averaging 17% of total exports (223k b/d), followed by Brazil and the Netherlands. In the first half of 2017 US exports of motor gasoline averaged a record high of 756k b/d, a 3% increase from the first half of 2016. High levels of domestic production of gasoline contributed to this record-high export level. Mexico was the destination of more than half (53%) of total US gasoline exports in the first half of 2017. Although Mexico produces large amounts of crude oil, Mexico's refinery output of products such as gasoline has been declining since 2015. US propane exports reached a record high of 913k b/d in the first half of 2017, up from 793k b/d in the first half of 2016. Most of this increase is from US exports to Asian markets, which accounted for 76% of the growth since the first half of 2016, and most of the destination countries for US propane exports are Asian markets.

Excerpted from 

“Of the five most important things in life, health is first, education or knowledge is second, and wealth is third. I forget the other two.” -Chuck Berry¹

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¹<https://www.brainyquote.com/quotes/quotes/c/chuckberry530023.html>