



News Tracker:

-Natural gas spot price movements were mixed this Report Week (Wednesday, October 19 to Wednesday, October 26). The Henry Hub spot price fell from \$3.14 per million British thermal units (MMBtu) at the start of the Report Week to \$2.68/MMBtu to close the Report Week.

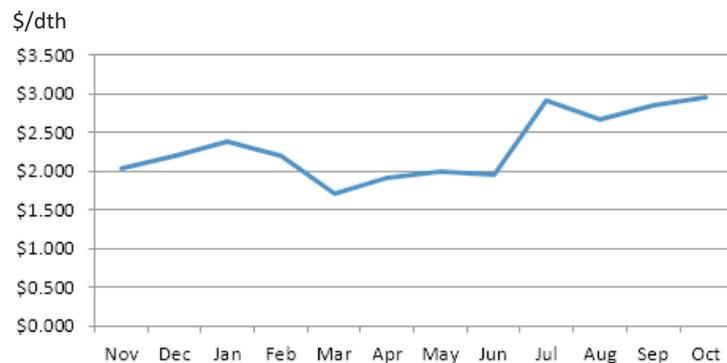
-Net natural gas injections into storage totaled 73 Bcf for the storage week ended October 21, compared with the five-year (2011-15) average net injection of 76 Bcf and last year's net injections of 67 Bcf during the same week. The weekly net injection to storage has fallen below the five-year average for 25 straight weeks. However, this week's report marks the smallest weekly deficit to the five-year average net injection since April 2016. Although weekly net injections continue to lag behind the five-year average pace, recent injection activity has increased significantly from earlier in the refill season. Weekly net injections so far during the 2016 refill season averaged 48 Bcf per week, while over the past four weeks, the weekly net build averaged 77 Bcf. Working gas stocks for this week total 3,909 Bcf, which is 182 Bcf more than the five-year average and 52 Bcf more than last year at this time. If net injections match the five-year average for the remainder of the refill season, working gas stocks will total 3,988 Bcf on October 31. This storage level exceeds the all-time end of refill season high of 3,929 Bcf in 2012. In 2015, working gas stocks totaled 3,926 Bcf at the end of October, before reaching the highest reported level ever of 4,009 Bcf on November 20, 2015. The October Short-Term Energy Outlook forecasts working gas reaching 3,933 Bcf at the end of October.

-According to Baker Hughes, the natural gas rig count increased by 3 to 108 for the week ending Friday, October 21. The number of oil-directed rigs rose by 11 to 443. The total rig count climbed by 14, and it now stands at 553.

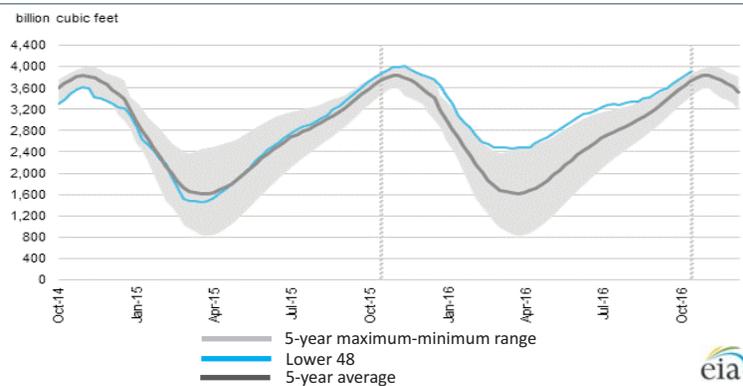
- US liquefied natural gas (LNG) exports: The Sabine Pass liquefaction terminal resumed operations of Trains 1 and 2 after the completion of four weeks of planned maintenance. Pipeline deliveries to the terminal averaged 0.2 Bcf/d during the report week. There have been no LNG exports from the facility since October 9. Kinder Morgan announced that it will begin construction on the Elba Island LNG Export Project, located near Savannah, Georgia, on November 1.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Nov 2015 - Oct 2016:



Working nat. gas in underground storage as of October 21, 2016



Forward 12-month NYMEX natural gas strip price - Nov16-Oct17:

Process Load-weighted \$3.045/dth (w/w = -\$0.325)
 Typical Heat Load-weighted \$3.083/dth (w/w = -\$0.348)

Containerized LNG broadens reach of natural gas to off-grid customers:

Earlier this month, NuBlu Energy started construction on the first of three trains of a small-scale (90,000 gallons per day) liquefied natural gas (LNG) plant along the Mississippi River in Port Allen, Louisiana. This project is designed to serve the domestic natural gas off-grid market natural gas consumers not connected to the natural gas pipeline grid. For many remote markets across the US, including Hawaii and parts of Alaska, LNG is becoming a more viable option for potential off-grid consumers currently using other fuels. Although waterborne trade in LNG via large ocean-going vessels has been a fixture of the global gas market since 1959, more recently there has also been an expanding demand for moving LNG to low-volume markets, including LNG for marine engine refueling, power generation, the containerized market, and for oil and natural gas production. Increasingly, LNG is being transported to customers in International Organization of Standardization (ISO) containers, which provide a flexible means of delivery, particularly to off-grid customers. Unlike the delivery of LNG by tanker, which requires open-water access and large on-shore infrastructure, or by truck, which requires dedicated vehicles or fleets capable of carrying LNG, ISO containers can utilize existing inter-modal infrastructure. The 40foot by 8foot by 8foot containers fit on any rail car, truck trailer, or container ship capable of carrying standard shipping containers. Each container can store up to 10,000 gallons, which is the gaseous equivalent of 830 Mcf, the average annual consumption of 13 American households according to the US Energy Information Administration's 2009 Residential Energy Consumption Survey. ISO containers are capable of storing LNG in cryogenic state for up to 75 days, providing enough time for the cargo to reach its destinations and to serve as a viable means of storage. With a portable vaporizer, which can typically re-gasify 90 Mcf per hour, the LNG can be delivered as pipeline-quality natural gas to consumers.

Excerpted from eia

"I see that the fashion wears out more apparel than the man." -William Shakespeare¹