



News Tracker:

-Natural gas spot prices rose at nearly every location this from Wednesday, November 30 to Wednesday, December 7 (the Report Week). The Henry Hub spot price rose from \$3.29 per million British thermal units (MMBtu) at the open of the Report Week to \$3.76/MMBtu to end the Report Week.

-At the New York Mercantile Exchange (Nymex), the January 2017 natural gas futures contract rose 25¢ from \$3.352/MMBtu at the start of the Report Week to \$3.603/MMBtu at the close of the Report Week.

- Net withdrawals from working natural gas totaled 42 billion cubic feet (Bcf) for the week ending December 2. The withdrawal was considerably less than the 69 Bcf pulled from storage last year during the same week. Working natural gas stocks are 3,953 Bcf, which is 1% more than last year at this time and 7% more than the five-year (201115) average for this week. Temperatures in the Lower 48 states averaged 46°F, 5°F higher than the normal temperature for this time of year and 2°F higher than last year at this time. Cooling degree days in the Lower 48 states totaled 4, on par with last year and compared to a normal of 2. Heating degree days in the Lower 48 states totaled 137, compared with 150 last year and a normal for this time of year of 167.

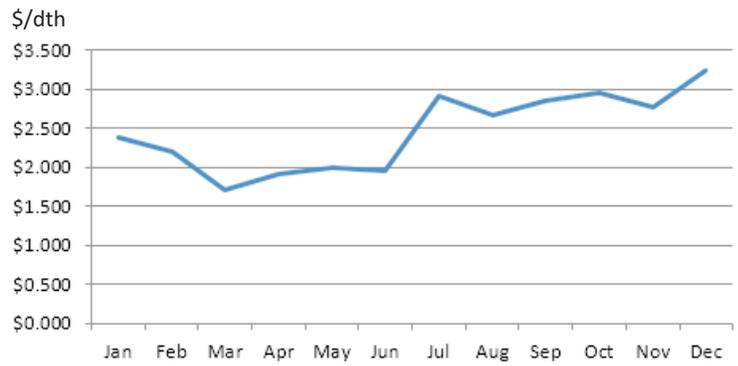
- Total U.S. consumption of natural gas rose by 15% compared with the previous report week, according to data from PointLogic. Power burn climbed by 10% week over week, and industrial sector consumption increased by 4%. In the residential and commercial sectors, consumption increased by 29%, equivalent to an average of nearly 8 Bcf/d. Natural gas exports to Mexico were the same as last week, averaging 3.7 Bcf/d.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 41¢, closing at \$6.05/MMBtu for the week ending December 2. The price of natural gasoline, ethane, propane, butane, and isobutane all rose, by 2%, 10%, 6%, 9%, and 15%, respectively.

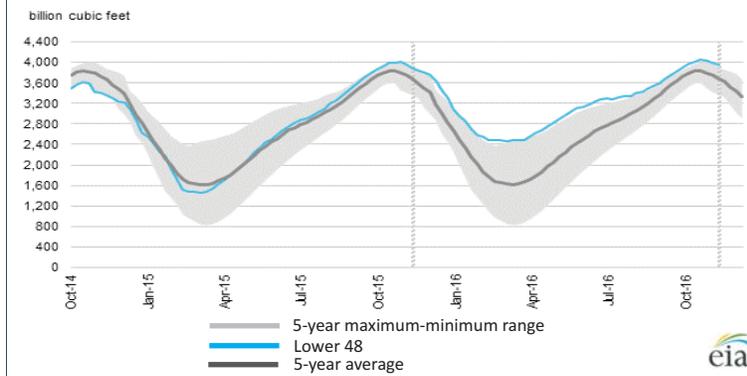
-According to Baker Hughes, for the week ending Friday, December 2, the natural gas rig count increased by 1 to 119. The number of oil-directed rigs rose by 3 to 477. The total rig count climbed by 4, and it now stands at 597.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Jan2016 - Dec 2016:



Working nat. gas in underground storage as of December 2, 2016

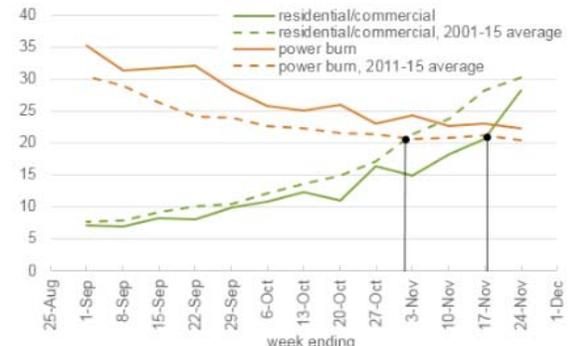


Forward 12-month NYMEX natural gas strip price - Jan17-Dec17:

Process Load-weighted \$3.437/dth - w/w = +\$0.144
 Typical Heat Load-weighted \$3.487/dth - w/w = +\$0.173

Unseasonable warm weather reduces US heating demand:

For the first time since April, weekly residential/commercial consumption of natural gas exceeded power burn. Over the past five years (201115), this transition in demand has occurred at the end of October on average, but this year the switch in primary consuming sector occurred several weeks later than in past years. Residential/commercial consumption in the Lower 48 states averaged 28 billion cubic feet per day (Bcf/d) during the week ending Thursday, November 24, and power burn averaged 22 Bcf/d, according to data from PointLogic. Natural gas demand is largely driven by electricity generation fuel needs in the summer and heating needs in the winter. Electricity demand typically declines in the fall as the number of cooling degree days (CDD) tapers off. At the same time, the number of heating degree days (HDD) begins to rise as temperatures drop below 65°F. Temperatures since the beginning of September 2016 have been significantly warmer than in the past five years. The number of population-weighted HDD from September 1 through November 24 was 17% lower than last year and 28% lower than the five-year (201115) average for the same period. Over this same period, the weekly residential/commercial consumption of natural gas has remained at least 4% below the five-year average. Conversely, weekly power burn has remained 8% or more above the five-year average, due to both additional cooling demand and the increased share of electricity generated by natural gas. The number of population-weighted CDD from September 1 through November 24 was 17% higher than last year and 31% higher than the five-year average over the same period. In addition to higher-than-normal temperatures, new natural gas-fired power plants have continued to come online and natural gas prices have been relatively low, incentivizing increased use of natural gas to generate electricity at the expense of other fuels.



Excerpted from eia Source: OPIS PointLogic Energy, an IHS Company

“It doesn’t matter how beautiful your theory is, it doesn’t matter how smart you are. If it doesn’t agree with experiment, it’s wrong.” -Richard P. Feynman¹

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¹www.brainyquote.com, http://www.brainyquote.com/quotes/quotes/r/richardpf160383.html, retrieved December 8, 2016