

News Tracker:

-Natural gas spot prices fell at most locations this Report Week (Wednesday, February 15 to Wednesday, February 22). The Henry Hub spot price was \$2.92 per million British thermal units (MMBtu) to start the Report Week and ended the Report Week at \$2.53/MMBtu.

-At the New York Mercantile Exchange (Nymex), the March 2017 natural gas futures contract fell 33¢ - \$2.925/MMBtu to \$2.592/MMBtu from start to end of the Report Week.

- Net withdrawals from storage totaled 89 Bcf, compared with the five-year (2012-16) average net withdrawal of 158 Bcf and last year's net withdrawals of 131 Bcf during the same week. Warmer temperatures throughout the week for most of the Lower 48 states contributed to decreased heating demand for natural gas and lower withdrawals from storage. Working gas stocks total 2,356 Bcf, which is 156 Bcf, or 7% more than the five-year average and 261 Bcf, or 10% less than last year at this time. Temperatures in the Lower 48 states averaged 43°F, 7°F higher than the normal and 9°F higher than last year at this time. This pattern prevailed throughout most of the Lower 48 states except for New England. Temperatures in the New England Census division averaged 25°F, 3°F lower than the normal and 8°F higher than last year at this time. Heating degree days (HDD) in the Lower 48 states totaled 159, compared with 220 last year and a normal of 202.

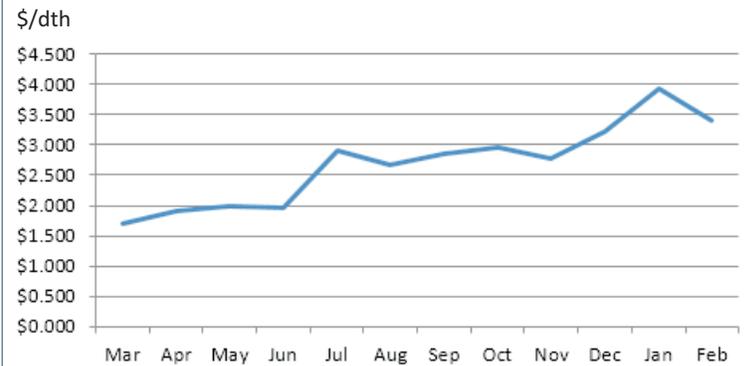
-Natural gas pipeline deliveries to the Sabine Pass liquefaction terminal averaged 2.2 Bcf/d for the report week, 12% higher than in the previous week. Three vessels (combined LNG-carrying capacity of 11.0 Bcf) departed Sabine Pass last week, and one vessel (LNG-carrying capacity of 3.0 Bcf) is currently loading at the terminal.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 20¢, closing at \$7.50/MMBtu for the week ending February 17. The prices of propane, butane, and isobutane fell by 3%, 5%, and 7%, respectively. The price of natural gasoline rose by 1%. The price of ethane remained flat week over week.

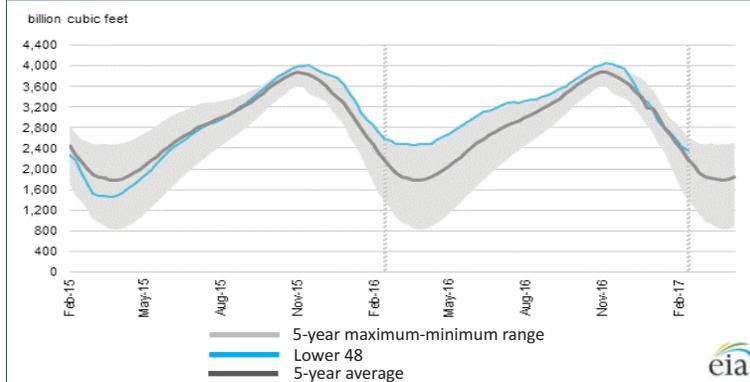
-According to Baker Hughes, for the week ending Friday, February 17, the natural gas rig count increased by 4 to 153. The number of oil-directed rigs rose by 6 to 597. The total rig count increased by 10, and it now stands at 751.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Mar2016 - Feb 2017:



Working nat. gas in underground storage as of February 17, 2017



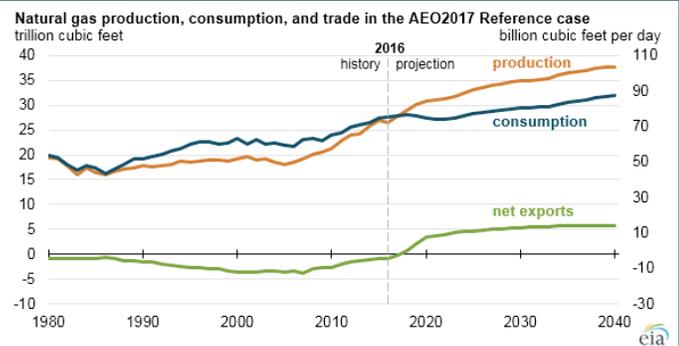
Forward 12-month NYMEX natural gas strip price - Mar17-Feb18:

Process Load-weighted \$2.950/dth - w/o/w = ▼\$0.298

Typical Heat Load-weighted \$2.968/dth - w/o/w = ▼\$0.293

Liquefied natural gas exports expected to drive growth in US natural gas trade:

The US is expected to become a net exporter of natural gas on an average annual basis by 2018, according to the recently released US Energy Information Administration's Annual Energy Outlook 2017 (AEO2017) Reference case. The transition to net exporter is driven by declining pipeline imports, growing pipeline exports, and increasing exports of liquefied natural gas (LNG). In most AEO2017 cases, the US is also projected to become a net exporter of total energy in the 2020s in large part because of increasing natural gas exports. In 2016, the US was a net importer of natural gas, with net imports of 2.6 billion cubic feet per day (Bcf/d). As several LNG export projects currently under construction are completed, LNG exports are expected to make up a growing share of natural gas exports and to surpass pipeline exports of natural gas by 2020. The Sabine Pass facility in Louisiana became the first operating LNG export facility in the Lower 48 states in 2016. By 2021, four LNG export facilities currently under construction are expected to be completed. Combined, these five plants are expected to have an operational export capacity of 9.2 Bcf/d. US exports of natural gas by pipeline to Mexico are also expected to increase. US exports to Mexico have doubled since 2009 and are projected to continue rising through at least 2020 as pipeline projects currently under construction are completed. The growth of natural gas exports, especially from new LNG terminals, sustains continued growth in US natural gas production. In the Reference case, natural gas production is projected to grow through 2020 at about the same rate (3.6% annual average) as it has since 2005, when production of natural gas from shale formations began to grow rapidly.



Excerpted from 

“What worries you, masters you.” -John Locke¹

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¹<https://www.brainyquote.com/quotes/quotes/j/johnlocke380216.html>