

News Tracker:

-Natural gas spot prices rose at most locations from Wednesday, February 22 to Wednesday, March 1 (the Report Week). The Henry Hub spot price rose from \$2.53 per million British thermal units (MMBtu) to start the Report Week to \$2.60/MMBtu to close the Report Week.

-At the New York Mercantile Exchange (Nymex), the March 2017 natural gas futures contract expired Friday, February 24 at \$2.627/MMBtu. The April 2017 contract increased to \$2.799/MMBtu, up 10¢ from beginning to end of the Report Week.

-Net natural gas injections into storage totaled 7 Bcf, compared with the five-year (2012-16) average net withdrawal of 132 Bcf and last year's net withdrawal of 67 Bcf during the same week. This is the first time that weekly net injections have ever been reported in February on a national level. There have been three other occasions when net injections have been reported during the peak heating demand months (December/February) in the 23-year history of the weekly working gas estimates. All of those occasions occurred in December. The largest net injection during the peak winter months was 27 Bcf, for the week ending December 4, 1998. The other net increases were close to zero 1 Bcf and 2 Bcf, for the weeks ending December 30, 2005 and December 7, 2012, respectively. 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 2,363 Bcf, which is 295 Bcf (14%) more than the five-year average and 187 Bcf (7%) less than last year at this time. If working gas stock changes follow the five-year average for the remainder of the heating season, they will total 2,083 Bcf on March 31. So far in 2017, net withdrawals are 77% below the five-average. Following this slower-than-normal pace, working gas stocks will total 2,241 Bcf by the end of the heating season, which would mark the third time since 2011 that working gas stocks ended the heating season above 2,000 Bcf

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 69¢, averaging \$6.82/MMBtu for the week ending February 24. The price of natural gasoline, ethane, propane, butane, and isobutane all fell, by 2%, 6%, 12%, 13%, and 11%, respectively.

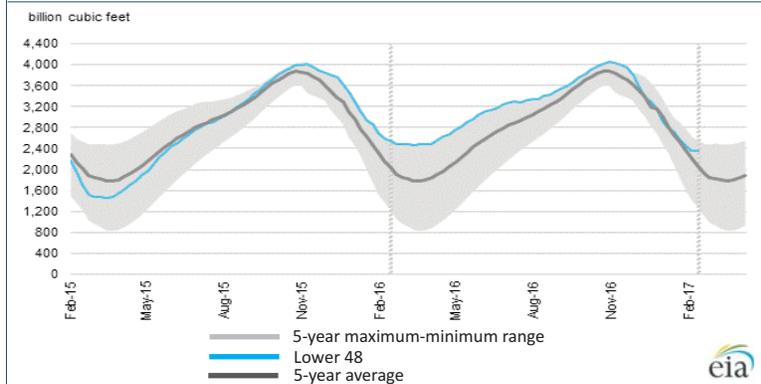
-According to Baker Hughes, for the week ending Friday, February 24, the natural gas rig count decreased by 2 to 151. The number of oil-directed rigs rose by 5 to 602. The total rig count increased by 3, and it now stands at 754.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Apr2016 - Mar 2017:



Working nat. gas in underground storage as of February 24, 2017



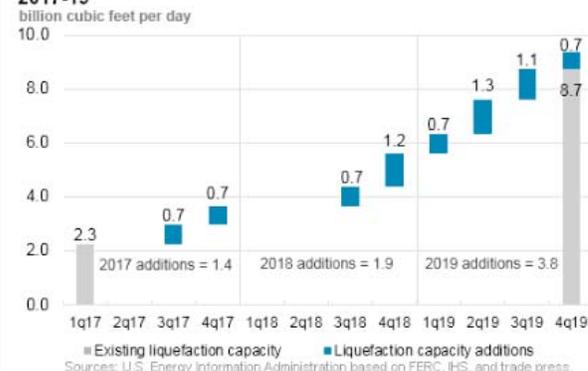
Forward 12-month NYMEX natural gas strip price - Apr17-Mar18:

Process Load-weighted \$3.14/dth - w/o/w = ▲\$0.140
 Typical Heat Load-weighted \$3.191/dth - w/o/w = ▲\$0.135

US natural gas liquefaction capacity continues to expand:

Elba Island LNG, one of the six US liquefied natural gas (LNG) export facilities currently under construction, filed a request last week to begin installation of liquefaction units at its project site by March 10. The project will be using a new technology, developed by Shell, called Movable Modular Liquefaction System. It will consist of ten small-scale liquefaction units (called trains), constructed in two phases. Each train has a capacity to liquefy approximately 33

U.S. projected liquefaction capacity additions by quarter, 2017-19



million cubic feet per day (MMcf/d), for a total project capacity of 0.35 billion cubic feet per day (Bcf/d). Elba Island LNG, located in Georgia, is the latest of six US LNG export facilities to start construction in the last four years in the Lower 48 states. Elba Island LNG will operate as a tolling facility, with the full off-take volume contracted by Royal Dutch Shell under a 20-year contract. As a tolling customer, Shell will be responsible for procuring natural gas feedstock for the facility, and will pay a flat tolling liquefaction fee to the facility owners. The other five liquefaction projects in the US are in various construction stages. Sabine Pass LNG currently has three fully operational trains and two more trains under construction. Cove Point LNG in Maryland is expected to come online by the end of this year. Three other liquefaction projects Freeport, Cameron, and Corpus Christi have multiple trains under construction. Liquefaction capacity from all projects currently under construction is projected to expand by 1.4 Bcf/d in 2017, 1.9 Bcf/d in 2018, and 3.8 Bcf/d in 2019. Once all of these liquefaction projects become operational, the United States is projected to have the third largest liquefaction capacity in the world at 9.4 Bcf/d, after Australia and Qatar.

Excerpted from 

“If you’re going to do something tonight that you’ll be sorry for tomorrow morning, sleep late.” -Henny Youngman¹

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¹https://www.brainyquote.com/quotes/quotes/h/hennyyoung106841.html?src=t_funny