

## News Tracker:

-US Natural gas spot prices fell at most locations during the period of Wednesday, April 19 to Wednesday, April 26 (the Report Week). The Henry Hub spot price fell from \$3.12 per MMBtu to open the Report Week to \$3.02/MMBtu to close the Report Week.

-At the New York Mercantile Exchange (Nymex), the May 2017 natural gas futures contract price fell to \$3.142/MMBtu, down 4¢ from start to finish of the Report Week.

-Net natural gas injections into storage for the week ending Friday, April 21 totaled 74 Bcf, compared with the five-year (201216) average net injection of 57 Bcf and last year's net injections of 64 Bcf during the same week. Net injections into working gas during the storage week were the largest reported so far in the 2017 injection season and the largest reported this early in the refill season since April 17, 2015. Working gas levels are 14% lower than last year's record levels, but well ahead of the five-year average. Working gas levels are 358 Bcf lower than last year's levels at this time. This year-over-year deficit prevails in each of the regions of the Lower 48 states. The Midwest and Pacific regions are both 48 Bcf lower than last year's levels. In contrast, working gas levels are 299 Bcf higher than the five-year average in the Lower 48 states and are higher than the five-year average in all regions except the East and the Pacific regions, which are 53 Bcf and 15 Bcf lower than the five-year average, respectively. The South Central region accounts for 222 Bcf of the surplus compared with the five-year average, and the Midwest region is 117 Bcf higher than the five-year average. Temperatures in the Lower 48 states averaged 61°F, 7°F higher than the normal and 4°F higher than last year at this time.

- U.S. LNG exports. Natural gas pipeline deliveries to the Sabine Pass liquefaction terminal averaged 1.1 Bcf/d for the report week, 43% lower than in the previous week. Three vessels (combined LNG-carrying capacity of 11.4 Bcf) departed Sabine Pass last week (Thursday to Wednesday). Last week, the proposed Golden Pass LNG liquefaction terminal received an approval from the U.S. Department of Energy (DOE) to export up to 2.21 Bcf/d of LNG to non-Free Trade Agreement (FTA) countries for 20 years. To date, DOE has authorized 19.2 Bcf/d of LNG exports to non-FTA countries.

-According to Baker Hughes, for the week ending Friday, April 21, the natural gas rig count increased by 5 to 167.

Excerpted from 

## Retail gasoline prices this summer are expected to be higher than in 2016:

Drivers in the US will pay an average of \$2.46 per gallon (gal) this summer for regular gasoline, per forecasts in the US Energy Information Administration's (EIA) Short-Term Energy Outlook. Gasoline prices from April through September are expected to be 23 cents/gal higher than the average price last summer, which is nearly 70 cents/gal below the previous five-year average. The gasoline price increase this summer primarily reflects slightly higher forecast crude oil prices. Gasoline prices reflect four main components: crude oil prices, wholesale margins, retail distribution costs, and taxes. Because the latter two are generally stable, movements in gasoline prices are primarily the result of changes in crude oil prices and wholesale margins. Each dollar per barrel of

sustained price change in crude oil or gasoline wholesale margins translates into a change of 2.4 cents per gallon in product prices. Gasoline prices in the United States tend to reflect changes in the Brent global oil benchmark price. The Brent crude oil price is forecast to average \$54 per barrel (b) (1.29 cents/gal) this summer, about \$8/b (20 cents/gal) lower than last summer. Gasoline prices also have a seasonal component and typically increase following the winter months. During the spring and summer, gasoline demand often increases and gasoline specifications change from winter-grade gasoline to spring- and summer-grade gasoline. Because summer-grade gasoline is more costly to manufacture, wholesale gasoline margins typically increase during summer months. Projected motor gasoline consumption for summer 2017 is expected to average 9.5 million barrels per day (b/d), slightly more (0.3%) than last summer, as an expected 1.4% increase in summer highway travel more than offsets a 1.2% increase in fleet-wide fuel efficiency.

Excerpted from 

"How much time he saves who does not look to see what his neighbor says or does or thinks." -Marcus Aurelius<sup>1</sup>