

News Tracker:

-Natural gas spot prices fell at most locations this Report Week (Wednesday, August 15 to Wednesday, August 22). Henry Hub spot prices fell slightly from \$3.01 per million British thermal units (MMBtu) to \$2.99/MMBtu from open to close of the Report Week.

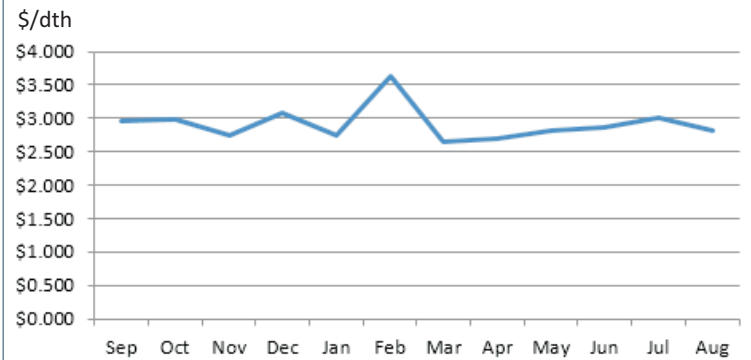
-At the New York Mercantile Exchange (Nymex), the September 2018 natural gas futures contract price rose 2¢ from \$2.940/MMBtu to \$2.956/MMBtu from start to finish of the Report Week.

-Net natural gas injections into storage totaled 48 Bcf for the week ending August 17, compared with the five-year (2013-17) average net injections of 52 Bcf and last year's net injections of 45 Bcf during the same week. Working gas stocks totaled 2,435 Bcf, which is 599 Bcf (20%) lower than the five-year average and 684 Bcf (22%) lower than last year at this time. This was the eighth week in a row that net injections were lower than the five-year average. Temperatures in the Lower 48 states averaged 76 °F, 2°F higher than normal and 2°F higher than last year at this time. Temperatures were 2°F lower than the level reported for the previous week.

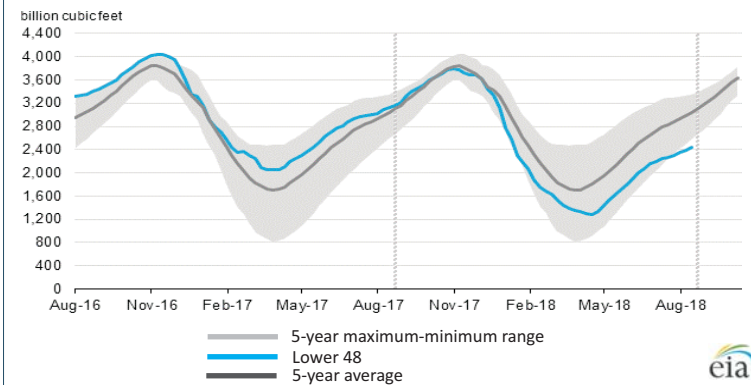
- Total U.S. consumption of natural gas fell by 1% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation declined by 3% week over week. Industrial sector consumption stayed constant, averaging 19.8 Bcf/d. In the residential and commercial sectors, consumption increased by 9% as significantly cooler-than-normal temperatures occurred in the northwest Great Plains. Temperatures below 60° Fahrenheit (°F) in parts of Montana, Wyoming, Colorado, Nebraska, and the Dakotas likely increased heating demand in the region. Residential and commercial consumption remains a relatively minor contribution to total demand during the summer months. Natural gas exports to Mexico decreased 2%-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 6¢, averaging \$9.00/MMBtu for the week ending August 22. The price of propane fell by 1%. The prices of ethane and isobutane both rose by 2%, and the price of butane rose by 3%. -According to Baker Hughes, for the week ending Tuesday, August 14, the natural gas rig count remained flat at 186. The number of oil-directed rigs remained constant at 869. The total rig count stayed at 1,057.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Sep 2017 - Aug 2018:



Working natural gas in underground storage as of August 17, 2018



Forward 12-month NYMEX natural gas strip price - Sep18-Aug19:


Process Load-weighted \$2.906/dth - w/o/w = ▲\$0.006
 Typical Heat Load-weighted \$2.998/dth - w/o/w = ▲\$0.004

Natural gas pipeline capacity to South Central region and export markets increases in 2018:

By the end of 2018, natural gas pipeline capacity into the South Central region of the US is expected to reach almost 19 Bcf/d. The region has shifted from being a source of natural gas supply to a source of growing demand, reversing the historical flows of natural gas in the Lower 48 states. Natural gas pipeline



projects scheduled to come online in 2018 will bring additional supply to the Gulf Coast and support growing export markets. LNG export facilities scheduled to come online in 2018 and 2019 represent an additional 6.1 Bcf/d of LNG export capacity, requiring infrastructure to connect them to the interstate pipeline network and deliver large volumes of natural gas to the liquefaction terminals. The US currently has two operational LNG export facilities, which have a combined export capacity of 3.5 Bcf/d: Sabine Pass Trains 1-4 (2.8 Bcf/d) and Cove Point (0.8 Bcf/d). Four new LNG export facilities are under construction, three of which are located in the South Central region. All three of these facilities have associated pipeline projects that are scheduled to be completed this year. Exports of natural gas to Mexico by pipeline are forecast to rise in 2018 as several projects within Texas are completed. US natural gas pipeline exports to Mexico have grown from 0.9 Bcf/d in 2010 to more than 4.3 Bcf/d through April 2018. Over this timeframe, pipeline capacity from Texas into Mexico has more than tripled, reaching 9.3 Bcf/d in 2017. This growth is likely to continue in 2018 with the completion of the 2.6 Bcf/d Valley Crossing Pipeline.

Excerpted from 

"If we open a quarrel between past and present, we shall find that we have lost the future." -Winston Churchill¹