

News Tracker:

-Natural gas spot prices rose at most locations for the Report Week of Wednesday, October 31 to Wednesday, November 7. Henry Hub spot prices rose from \$3.29 per million British thermal units (MMBtu) to \$3.51/MMBtu from start to finish of the Report Week. This Report Week marks the fourth straight week of price increases; during that time, Henry Hub spot prices have risen 20%. Prices generally increased during the report week with lower-than-normal temperatures across the Northeast and low natural gas storage inventories.


-At the New York Mercantile Exchange (Nymex), the December 2018 natural gas futures contract price rose 29¢ from \$3.261/MMBtu to \$3.555/MMBtu from open to close of the Report Week.

-Net natural gas injections into storage totaled 65 Bcf for the week ending November 2, compared with the five-year (2013-17) average net injections of 48 Bcf and last year's net injections of 22 Bcf during the same week. Working gas stocks totaled 3,208 Bcf, which is 621 Bcf (16%) lower than the five-year average and 580 Bcf (15%) lower than last year at this time. Temperatures in the Lower 48 states averaged 54 degrees Fahrenheit (°F), 2°F higher than normal and 4°F higher than last year at this time. Temperatures were 2°F higher than those reported for the previous week.

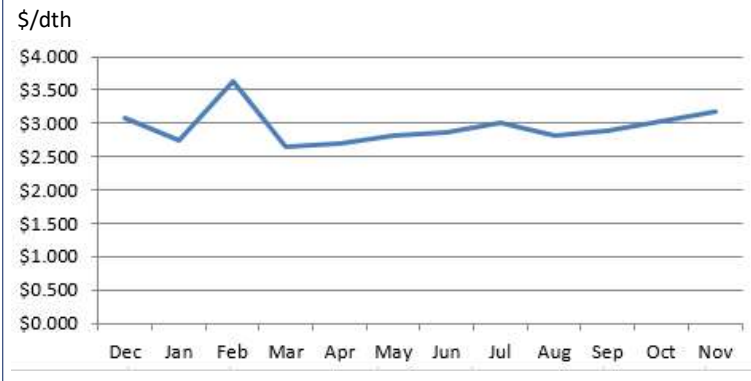
-Total U.S. consumption of natural gas was unchanged from the previous report week, averaging 67.9 Bcf/d according to data from PointLogic Energy. Natural gas consumed for power generation declined by 5% week over week. Industrial sector consumption stayed constant, averaging 22.5 Bcf/d. In the residential and commercial sectors, consumption increased by 6%. Natural gas exports to Mexico decreased 1%.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 41¢/MMBtu, averaging \$7.54/MMBtu for the week ending November 7. The price of natural gasoline, ethane, and propane fell by 10%, 7%, and 4%, respectively. The price of butane and isobutane remained flat week over week.

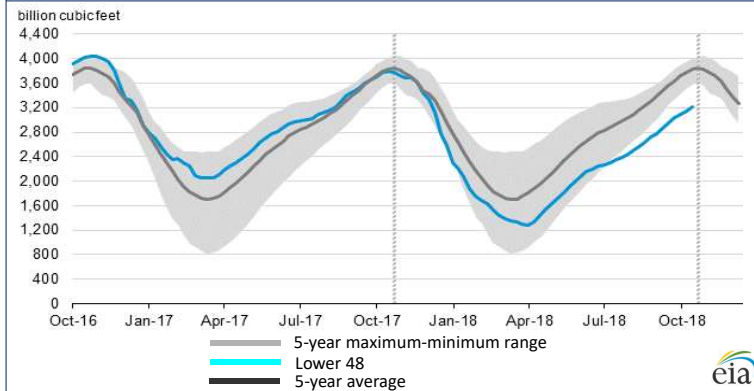
-According to Baker Hughes, for the week ending Tuesday, October 30, the natural gas rig count remained flat at 193.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Dec 2017 - Nov 2018:



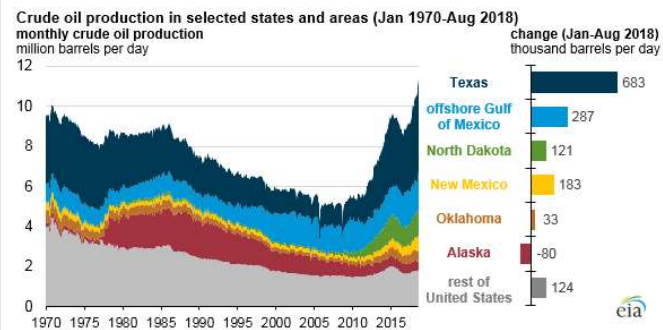
Working natural gas in underground storage as of Nov. 2, 2018



Forward 12-month NYMEX natural gas strip price - Nov18-Oct19:


Process Load-weighted \$2.974/dth - w/o/w = ▲\$0.104
 Typical Heat Load-weighted \$3.164/dth - w/o/w = ▲\$0.157

U.S. monthly crude oil production exceeds 11 million barrels per day in August:



U.S. crude oil production reached 11.3 million barrels per day (b/d) in August 2018, up from 10.9 million b/d in July. This is the first time that monthly U.S. production levels surpassed 11 million b/d. U.S. crude oil production exceeded the Russian Ministry of Energy's estimated August production of 11.2 million b/d, making the U.S. the leading crude oil producer in the world. Monthly crude oil production reached a record high in several states. Texas had the highest record level at 4.6 million b/d, followed by North Dakota at 1.3 million b/d. Other states that had record-high production levels were New Mexico, Oklahoma, Colorado, and West Virginia. Production in the Federal Offshore Gulf of Mexico also hit a record high of 1.9 million b/d. The Permian region, located in western Texas and eastern New Mexico, accounts for about 63% of total Texas crude oil production and 95% of total New Mexico crude oil production. From January 2018 to August 2018, Texas crude oil production increased by 683,000 b/d (15%) and New Mexico production increased by 182,000 b/d (25%). The growth in

Texas and New Mexico since the start of 2018 surpassed expectations, which assumed that pipeline capacity constraints in the Permian region would dampen production. However, industry efficiencies in pipeline utilization and increased trucking and rail transport in the region have allowed crude oil production to continue to grow at a high rate. From May through August, production in the Gulf of Mexico grew by an average of 130,000 b/d every month, a significant increase from the growth rate in the first four months of the year. This increase was primarily the result of a number of fields returning to full production after several months of maintenance and other infrastructure issues that arose from Hurricanes Harvey and Nate in 2017.

Excerpted from 

"A concert is not a live rendition of our album. It's a theatrical event." -Freddie Mercury¹