

News Tracker:

-Natural gas spot prices fell at most locations from Wednesday, January 17 to Wednesday, January 24 (the Report Week). The Henry Hub spot price fell from \$3.87 per million British thermal units (MMBtu) to \$3.56/MMBtu from start to end of the Report Week.

-At the New York Mercantile Exchange (Nymex), the February 2018 natural gas futures contract price rose 28¢ from \$3.232/MMBtu to \$3.509/MMBtu from open to close of the Report Week.

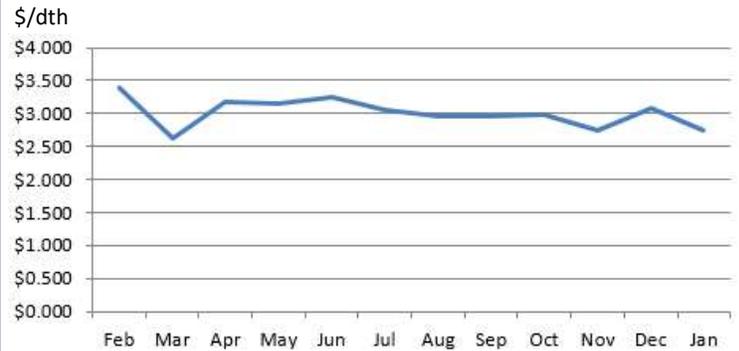
-Net natural gas withdrawals from storage totaled 288 Bcf for the week January 12 to January 19 (the Storage Week), compared with the five-year (2013-17) average net withdrawal of 164 Bcf and last year's net withdrawals of 137 Bcf during the same week. Working gas stocks total 2,296 Bcf, which is 486 Bcf less than the five-year average and 519 Bcf less than last year at this time. Working gas stocks are 59 Bcf less than the 5-year range for this period. Total net withdrawals over the last four weeks top the previous four-week record of 980 Bcf, posted for the period between January 17 and February 14, 2014, during a polar vortex. Temperatures in the Lower 48 states averaged 30° F for the Storage Week, 3° lower than the normal, 10° lower than last year at this time, and 4° colder on average since last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 5¢, averaging \$7.98/MMBtu for the week ending January 24. The price of ethane, butane, and isobutane fell by 1%, 1%, and 3%, respectively. The price of natural gasoline and propane remained flat week over week.

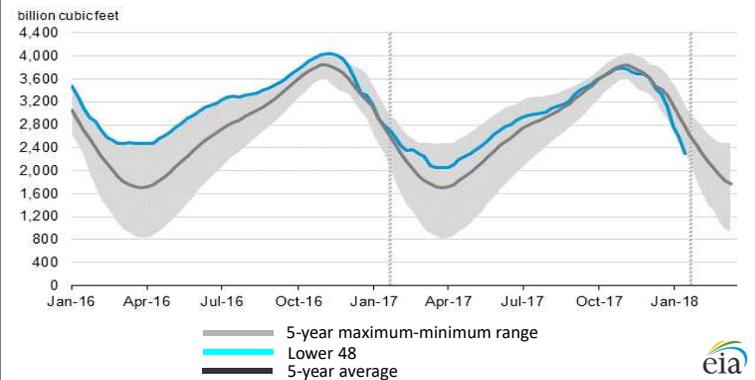
-According to Baker Hughes, for the week ending Tuesday, January 16, the natural gas rig count increased by 2 to 189. The number of oil-directed rigs fell by 5 to 747. The total rig count decreased by 3, and it now stands at 936.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Feb 2017 - Jan 2018:



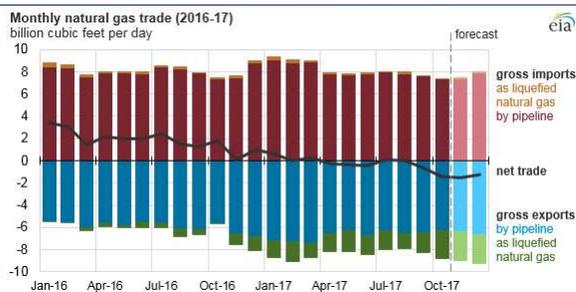
Working nat. gas in underground storage as of January 12, 2018



Forward 12-month NYMEX natural gas strip price - Feb18-Jan19:

Process Load-weighted \$3.010/dth - w/o/w = ▲\$0.077
 Typical Heat Load-weighted \$3.096/dth - w/o/w = ▲\$0.091

US natural gas prices, production, and exports increased from 2016 to 2017:



In 2017, natural gas spot prices at Henry Hub averaged about 50 cents per MMBtu higher than in 2016, according to the US Energy Information Administration (EIA). Overall, natural gas prices at key regional trading hubs were less volatile in 2017 than in previous years, as pipelines that came online throughout the year eased some infrastructure constraints that affect regional prices. Until the last few days of 2017, relatively warm winter weather limited natural gas consumption growth in the residential and commercial sectors compared with 2016 levels. However, higher natural gas prices contributed to a 6% year-on-year decline in natural gas consumption for power generation, based on data through October and projections for November and December. This decline was despite a large increase in natural gas-fired capacity additions in 2017, as coal became more competitive with natural gas. Mild winter temperatures in early 2017 also limited natural gas storage withdrawals, with the first-ever net injection recorded in the month of February.

As a result, natural gas storage inventories ended the injection season lower than last year, but higher than the previous five-year average. EIA expects the US to become a net exporter of natural gas on an annual basis in 2017 for the first time since 1957. The US is exporting more natural gas to Mexico and more LNG to at least 20 countries while importing less natural gas by pipeline from Canada. Although EIA's monthly natural gas data for December 2017 will not be available until the end of February 2018, EIA expects the US to have exported 0.4 billion cubic feet per day (Bcf/d) more natural gas than it imported in 2017. US marketed natural gas production increased by 1% (1 Bcf/d) in 2017, according to EIA's preliminary estimates for the year. Regionally, natural gas production growth was concentrated in Appalachia primarily in the Marcellus and Utica shales. Other regions have also increased production, including the Anadarko region in Texas and Oklahoma and the Bakken region in North Dakota.

Excerpted from 

“We should not look back unless it is to derive useful lessons from past error, and for the purpose of profiting by dearly bought experience.” -George Washington¹