

### News Tracker:


-Natural gas spot prices rose at most locations from Wednesday, October 18 to Wednesday, October 25 (the Report Week). The Henry Hub spot price rose from \$2.81 per million British thermal units (MMBtu) to \$2.93/MMBtu from open to close of the Report Week.

-At the Nymex, the November 2017 natural gas futures contract price rose from start to end of the Report Week by 6¢, from \$2.854/MMBtu to \$2.919/MMBtu.

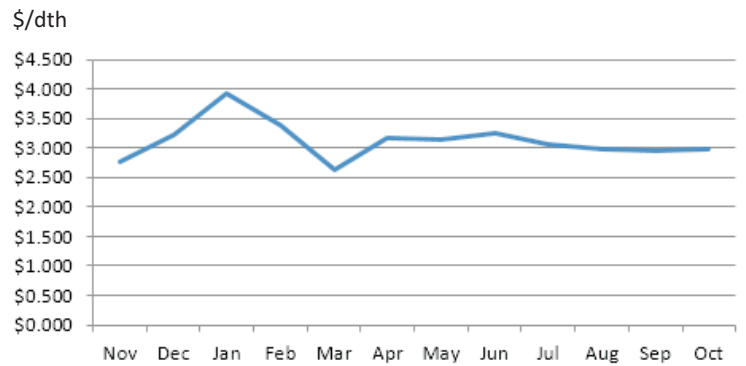
-Natural gas net injections into storage totaled 64 Bcf for the week ending October 20, compared with the five-year (2012-16) average net injection of 75 Bcf and last year's net injections of 74 Bcf during the same week. Decreased power demand for natural gas contributed to increased net injections compared with the previous report week. So far during the 2017 refill season, net injections into storage are 16% lower than the comparable five-year average 1,659 Bcf during the 2017 refill season compared with the five-year average increase of 1,970 Bcf. If net injections continue at 16% lower than the five-year average for the remaining three weeks, working gas stocks will reach 3,782 Bcf by the end of the refill season. Working gas stocks will total 3,796 Bcf if net injections into working gas match the five-year average for the remainder of the refill season. Temperatures in the Lower 48 states averaged 61°F for the Report Week, 4°F higher than the normal and 4°F lower than last year at this time.

-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 6% week over week. Industrial sector consumption increased by 1%, residential and commercial sectors consumption increased by 6%, and exports to Mexico decreased 1%.

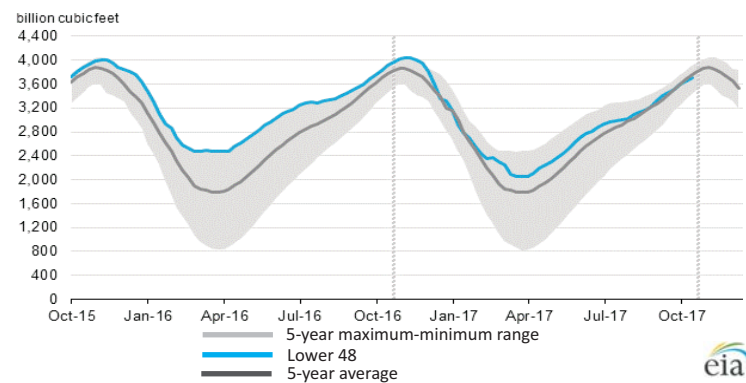
- Natural gas pipeline deliveries to the Sabine Pass liquefaction terminal exceeded 3 Bcf/d last week, above the 2.8 Bcf/d nameplate capacity of Trains 14. Six LNG vessels (LNG-carrying capacity 21.4 Bcf) departed the Sabine Pass terminal last week (Thursday to Wednesday), and one vessel (LNG-carrying capacity 3.8 Bcf) was loading at the terminal on Wednesday. LNG exports to date in October set a new record with 19 loaded vessels, exceeding the previous record set in May with 18 exported cargoes.

Excerpted from 

### Monthly NYMEX Natural Gas Settle Price: Nov 2016 - Oct 2017:



### Working nat. gas in underground storage as of October 20, 2017




### Forward 12-month NYMEX natural gas strip price - Nov17-Oct18:

Process Load-weighted \$3.021/dth - w/o/w = ▼\$0.002  
 Typical Heat Load-weighted \$3.070/dth - w/o/w = ▼\$0.008

### US LNG export capacity on the rise :

The recently announced expansion of the Sabine Pass liquefied natural gas (LNG) terminal in Cameron Parish, Louisiana, will add to the rapid growth expected in LNG export capacity for the US under construction through 2019. The fourth natural gas liquefaction unit ("train") at the Sabine Pass LNG terminal is substantially completed, according to owner Cheniere Energy. Train 4 has the capacity to liquefy 0.7 billion cubic feet of natural gas per day (Bcf/d). Cheniere expects to begin commercial deliveries from Train 4 in March 2018. All of Train 4's capacity has been contracted under 20-year long-term contracts: 0.5 Bcf/d to India's state-run natural gas company, GAIL (India) Limited, and the remaining volumes to Shell and Cheniere's global portfolios for trading in the spot LNG markets. GAIL is one of India's largest LNG importers, with 1.1 Bcf/d of LNG imports in 2017 (44% of India's total LNG imports). GAIL's contract with Cheniere for off-take volumes from Train 4 includes a swap agreement with Swiss trading company Gunvor Group Ltd. Under this agreement, GAIL will purchase 15 LNG cargoes from Gunvor in 2017 for delivery to India, and Gunvor will purchase 10 cargoes from GAIL in 2018 from GAIL's off-take volume from Sabine Pass Train 4 for trading in the global spot markets. In a form of commercial agreements typical at Sabine Pass, GAIL will pay between \$3.00 per million British thermal unit (MMBtu) and \$3.50/MMBtu plus 115% of the final settlement price for the Nymex Henry Hub natural gas futures contract price for the month in which the cargo is scheduled for delivery. The Sabine Pass LNG terminal began export operations in February 2016 and currently has five trains in service or under construction, each with a capacity of about 0.7 Bcf/d. Trains 1-3 are fully operational, Train 4 is preparing to enter service as announced, and Train 5 is under construction and expected to enter service in August 2019. Train 6 has been approved by the Federal Energy Regulatory Commission (FERC), but has not yet reached a Final Investment Decision and is not yet under construction. Liquefaction capacity from all U.S. projects currently under construction will expand Lower 48 LNG export capacity by 1.5 Bcf/d in 2017, 0.9 Bcf/d in 2018, and 5.1 Bcf/d in 2019. Once all of these liquefaction projects become operational, the US will have the third-largest liquefaction capacity in the world at 9.6 Bcf/d, after Australia and Qatar (11.4 Bcf/d and 10 Bcf/d, respectively).

Excerpted from 

"You don't have to be the Dalai Lama to tell people that life's about change." -John Cleese<sup>1</sup>