



News Tracker:

-Natural gas spot prices rose at most locations from Wednesday, November 9 to Wednesday, November 16, the Report Week. The Henry Hub spot price rose from \$2.22 per million British thermal units (MMBtu) to begin the Report Week to \$2.53/MMBtu to end the Report Week.

-At the New York Mercantile Exchange (Nymex), the December 2016 natural gas futures contract rose 7¢ from \$2.690/MMBtu at the beginning of the Report Week to \$2.764/MMBtu at the close of the Report Week.

- Continued early heating season injections push working gas storage to record levels. Net natural gas injections into storage for the storage week ending November 11 totaled 30 Bcf, compared with the five-year (2011-15) average net injection of 3 Bcf and last year's net injections of 26 Bcf during the same week. For the second week in a row, net injections into storage exceeded the five-year average. Unseasonably mild temperatures mitigated consumption of natural gas and contributed to considerably larger-than-average net injections. Working gas stocks total 4,047 Bcf, an all-time high, and are 216 Bcf, or 6%, higher than the five-year average and 51 Bcf, or 1%, higher than last year at this time.

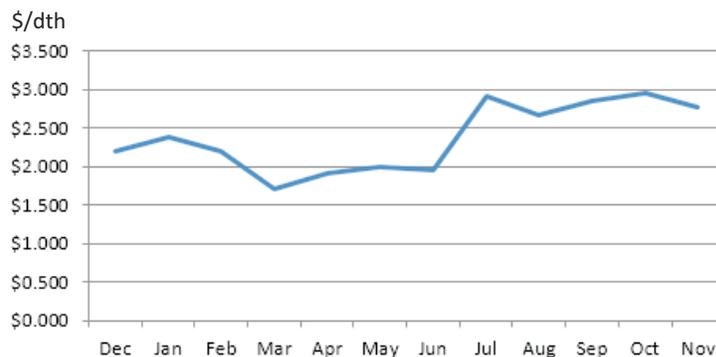
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 25¢, closing at \$5.60/MMBtu for the week ending November 11. The prices of natural gasoline, ethane, propane, and butane fell by 3%, 11%, 6%, and 5%, respectively. The price of isobutane rose by 5%.

- Total U.S. consumption of natural gas rose by 6% compared with the previous report week, according to data from PointLogic. Power burn was flat, averaging 23.0 Bcf/d. Industrial sector consumption increased by 2% week over week. In the residential and commercial sectors, consumption increased by 18% as a result of increased demand for home heating. Natural gas exports to Mexico were the same as last week, averaging 3.8 Bcf/d.

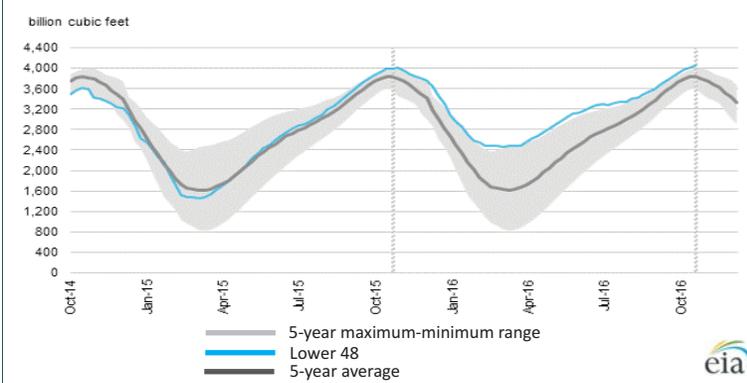
-According to Baker Hughes, for the week ending Friday, November 11, the natural gas rig count decreased by 2 to 115. The number of oil-directed rigs rose by 2 to 452. The number of miscellaneous rigs went down by 1 during the week. The total rig count dropped by 1, and it now stands at 568.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Dec2015 - Nov 2016:



Working nat. gas in underground storage as of November 11, 2016



Forward 12-month NYMEX natural gas strip price - Dec16-Nov17:

Process Load-weighted \$2.961/dth - w/w = +\$0.076
 Typical Heat Load-weighted \$2.940/dth - w/w = +\$0.071

In 2015, US coal production, consumption, and employment fell by more than 10%:

According to the US Energy Information Agency (EIA), US coal production dropped by more than 10% in 2015 to 897 million short tons (MMst), the lowest production level since 1986. Production in all three major coal-producing regions (the Appalachian, the Interior, and the Western) declined, as consumption of coal for electric power generation, industrial, and other uses fell by 13% to 798 MMst in 2015. EIA reported that increased competition from natural gas and more stringent state and federal regulations were two reasons for the decreased production and use. Employment at US coal mines fell 12% to about 66,000 employees in 2015, the lowest level since EIA began collecting coal mining employment data in 1978. The declining trend has continued into 2016 as indicated by the most recent weekly coal production data: US year-to-date coal production as of October 29, 2016, totaled approximately 607 MMst, 20% lower than the comparable year-to-date coal production in 2015. Total US coal consumption in 2015 was 798 MMst, a decrease of 13% from 2014 and the lowest level since 1986. Coal consumption in the industrial, coke, and commercial and institutional sectors was 58.6 MMst in 2015, a 9% decrease from 2014. Coal consumption so far in 2016 is also declining, similar to the trend in coal production. Data for the first seven months of 2016 indicate that US total coal consumption is 23% lower in 2016 than in the first seven months of 2015. Employment at US coal mines in 2015 decreased by 12% to 65,971 employees. West Virginia and Kentucky had the largest declines in the average number of employees in 2015, decreasing by 2,840 (16%) and 2,013 employees (17%), respectively.



Source: U.S. Energy Information Administration, Annual Coal Report 2015

Excerpted from eia

“The desire to fly is an idea handed down to us by our ancestors who... looked enviously on the birds soaring freely through space... on the infinite highway of the air.” -Wilbur Wright¹

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¹www.brainyquote.com, http://www.brainyquote.com/quotes/quotes/w/wilburwrig185347.html, retrieved November 17, 2016