

News Tracker:

-Natural gas spot prices fell at most locations for the Report Week of Wednesday, December 6 to Wednesday, December 13. The Henry Hub spot price fell from \$2.92/MMBtu to \$2.67/MMBtu from start to finish of the Report Week.

-At the New York Mercantile Exchange (Nymex), the January 2018 natural gas futures contract price fell 21¢ from \$2.922/MMBtu to \$2.715/MMBtu from open to close of the Report Week.

-Net withdrawals from storage totaled 69 Bcf for the week ending December 8, compared with the five-year (2012-16) average net withdrawal of 78 Bcf and last year's net withdrawals of 132 Bcf during the same week. Working gas stocks totaled 3,626 Bcf, which is 27 Bcf less than the five-year average and 201 Bcf less than last year at this time. The deficit to the five-year average declined for the fourth week in a row. Most of the deficit to the five-year average can be attributed to the Pacific region, where working gas stocks were 39 Bcf lower than their five-year average levels this week. Working gas levels in the East and Midwest regions where natural gas is an important fuel for space and water heating were 6 Bcf lower than and 16 Bcf higher than the five-year average, respectively.

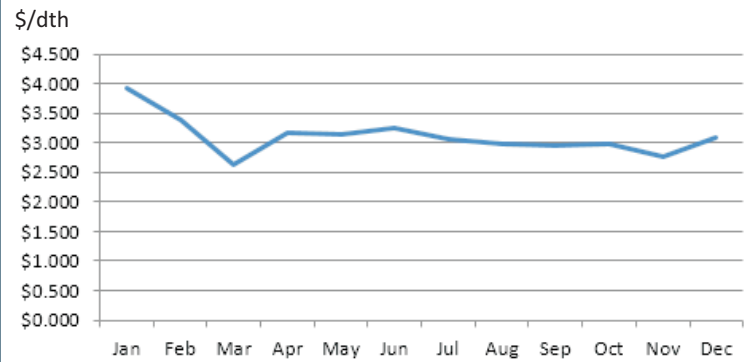
- Total U.S. consumption of natural gas rose by 27% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 18% week over week. Industrial sector consumption increased by 8% week over week. In the residential and commercial sector, consumption increased by 50% as a cold front moved across the country, and some areas in the southern United States received snowfall. However, residential and commercial demand was 1% lower than the same time last year. Natural gas exports to Mexico increased 4%.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 18¢, averaging \$7.90/MMBtu for the week ending December 13. The price of ethane fell by 8%, while the prices of propane, butane, and isobutane all fell by 2%. The price of natural gasoline rose by 1%.

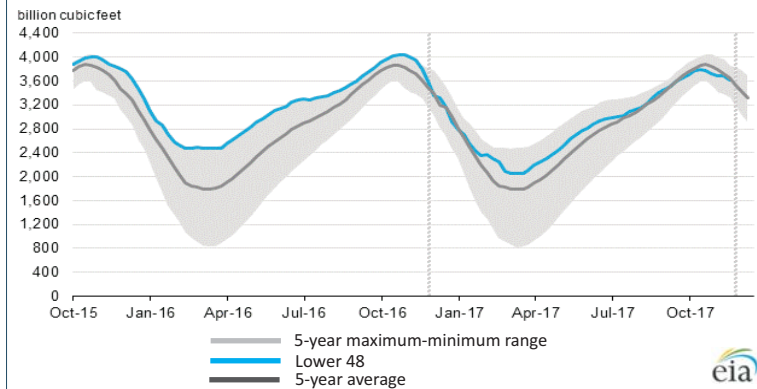
-According to Baker Hughes, for the week ending Tuesday, December 5, the natural gas rig count remained flat at 180. The number of oil-directed rigs rose by 2 to 751. The total rig count increased by 2 to 931.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Jan 2017 - Dec 2017:



Working nat. gas in underground storage as of December 8, 2017



Forward 12-month NYMEX natural gas strip price - Jan18-Dec18:

Process Load-weighted \$2.723/dth - w/o/w = ▼\$0.169
 Typical Heat Load-weighted \$2.743/dth - w/o/w = ▼\$0.176


US liquefied natural gas exports have increased as new facilities come online:

In August 2017, total U.S. natural gas liquefaction capacity in the Lower 48 states increased to 2.8 billion cubic feet per day (Bcf/d) following the completion of the fourth liquefaction unit at the Sabine Pass liquefied natural gas (LNG) terminal in Louisiana. With increasing liquefaction capacity and utilization, U.S. LNG exports averaged 1.9 Bcf/d, and capacity utilization averaged 80% this year, based on data through November. Sabine Pass consists of four existing natural gas liquefaction units, or trains, with a fifth train currently under construction. When complete, Sabine Pass will have a total liquefaction capacity of 3.5 Bcf/d. Five additional LNG projects are currently under construction in the United States, and they are expected to increase total U.S. liquefaction capacity to 9.6 Bcf/d by the end of 2019. The five new projects are located in Maryland, Georgia, Texas (2) and Louisiana. Overall utilization of existing LNG liquefaction facilities is expected to average 80% in 2017 and 79% in 2018. At Sabine Pass, the ramp-up process, combined with maintenance on Train 1, resulted in capacity utilization for Trains 1 and 2 averaging 51% in 2016. Capacity increased in 2017 with the addition of Trains 3 and 4, but the ramp-up periods for those trains, as well as lower spring demand in markets in Asia and Europe and disruptions caused by Hurricane Harvey in August, limited total utilization. Exports from Sabine Pass began to increase in September 2017 as Train 4 ramped up to full production reaching 2.7 Bcf/d in November with an overall capacity utilization rate of 96% across four trains. Utilization at Sabine Pass is projected to remain well above 90% in winter 2017/2018 as a result of expected strong natural gas winter demand and high spot LNG prices in Asia and Europe.

U.S. liquefied natural gas exports and export capacity (Jan 2016 - Nov 2017)
 billion cubic feet per day



Source: U.S. Energy Information Administration, *Natural Gas Monthly* (data for October and November 2017 are EIA estimates based on tanker loads)

Excerpted from 

“We can’t help everyone, but everyone can help someone.” -Ronald Reagan¹

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¹https://www.brainyquote.com/quotes/ronald_reagan_120491