



**News Tracker:**

-Natural gas spot prices rose at most locations Wednesday, November 23 to Wednesday, November 30 (the Report Week). The Henry Hub spot price rose from \$2.74 per million British thermal units (MMBtu) on November 23 to \$3.29/MMBtu to close the Report Week on November 30.

-At the New York Mercantile Exchange (Nymex), the December 2016 natural gas futures contract expired Monday, November 28 at \$3.232/MMBtu. The January 2017 contract increased through the Report Week to \$3.352/MMBtu, up 21¢ open to close of the Report Week.

-Net natural gas withdrawals from storage totaled 50 Bcf for the storage week ending November 25, compared with the five-year (201115) average net withdrawal of 44 Bcf and last year's net withdrawals of 35 Bcf during the same week. This week's net withdrawal follows last week's net withdrawal of 2 Bcf, and herald the unofficial beginning of the 201617 heating season. The heating season traditionally begins on November 1, and continues through March 31. However, in recent years, net injections into storage have continued into mid-November. Posting back-to-back net weekly withdrawals suggests that the withdrawal season is under way. Working gas stocks total 3,995 Bcf, which is 235 Bcf more than the five-year average and 24 Bcf more than last year at this time.

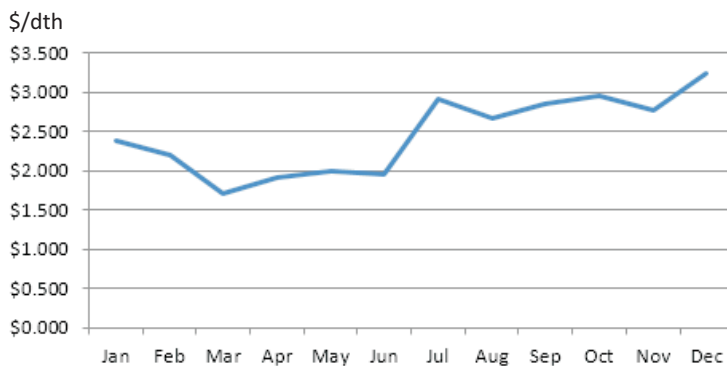
- The US was a net exporter of natural gas for the week. For this report week, the United States imported a net average of 4.9 Bcf/d from Canada, and exported a net average of 5.1 Bcf/d as pipeline exports to Mexico and as LNG exports to other countries

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 22¢, closing at \$5.64/MMBtu for the week ending November 25. The prices of natural gasoline, ethane, and isobutane all rose by 4%, and the prices of propane and butane rose by 3% and 6%, respectively.

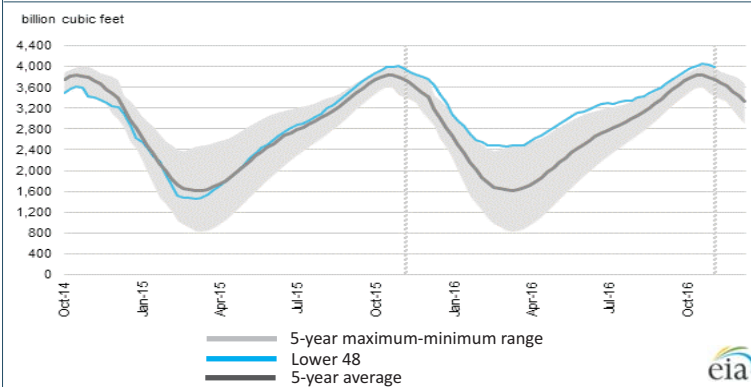
-According to Baker Hughes, for the week ending Friday, November 25, the natural gas rig count increased by 2 to 118. The number of oil-directed rigs rose by 3 to 474. The total rig count climbed by 5, and it now stands at 593.

Excerpted from eia

**Monthly NYMEX Natural Gas Settle Price: Jan2016 - Dec 2016:**



**Working nat. gas in underground storage as of November 25, 2016**



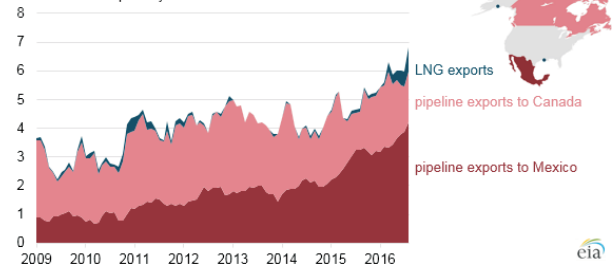
**Forward 12-month NYMEX natural gas strip price - Jan17-Dec17:**

Process Load-weighted \$3.293/dth - w/w = +\$0.115  
 Typical Heat Load-weighted \$3.314/dth - w/w = +\$0.138

**US natural gas exports to Mexico continue to grow:**

US pipeline exports of natural gas continued to grow in 2016, and they have doubled since 2009. Almost all of this growth is attributable to increasing exports to Mexico, which have accounted for more than half of all US natural gas exports since April 2015. In August, the US exported 4.2 billion cubic feet per day (Bcf/d) of natural gas to Mexico via pipelines. US daily pipeline exports to Mexico through August 2016 are at a yearly average of 3.6 Bcf/d, 25% above the year-ago level and 85% above the five-year (201115) average level. In 2015, Mexico's energy ministry (SENER) announced a five-year plan to significantly expand the country's natural gas pipeline network to accommodate higher levels of natural gas imports from the US. These imports would help meet increasing power demand, offset declining domestic natural gas production, reduce reliance on LNG imports, and create new

U.S. natural gas exports (2009-16)  
billion cubic feet per day



Source: U.S. Energy Information Administration, *Natural Gas Monthly*

markets for natural gas in currently supply-constrained regions. The plan proposed 12 pipeline additions, increasing the existing network capacity and adding more than 3,200 miles of new pipeline through Mexico. Growth in Mexico's domestic electricity market has largely driven the country's increasing natural gas usage. Because of the availability and affordability of US pipeline natural gas, Mexico is meeting its growing electricity demand with generation from new natural gas-fired plants. US natural gas exports to Mexico are expected to continue to grow in the short term, and SENER forecasts a widening gap between domestic production and demand through the end of the decade. Mexican imports of natural gas continue to outpace most projections. The 4.1 Bcf/d exported in August 2016 matched the level originally forecasted in 2013 to be reached in 2018.

Excerpted from eia

“I have always thought the actions of men the best interpreters of their thoughts.” -John Locke<sup>1</sup>

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<sup>1</sup>www.brainyquote.com, http://www.brainyquote.com/quotes/authors/j/john\_locke.html, retrieved December 1, 2016