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Energy Market Report

Report Date: March 9, 2018
Report Week: February 28, 2018 to March 7, 2018

Questions?
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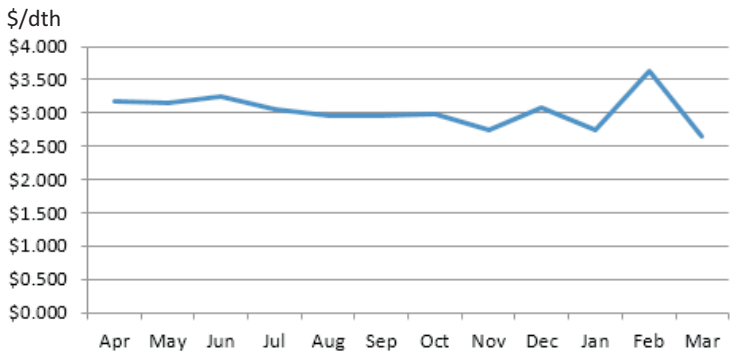
News Tracker:

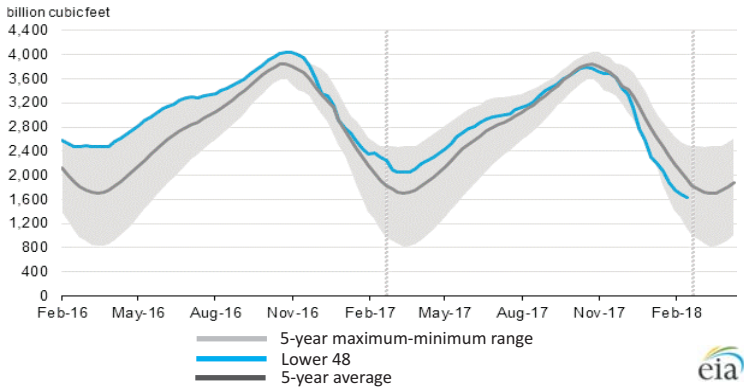
-Natural gas spot prices rose at most locations from Wednesday, February 28 to Wednesday, March 7 (the Report Week). The Henry Hub spot price rose from $2.61 per million British thermal units (MMBtu) to $2.77/MMBtu from start to end of the Report Week.
-At the New York Mercantile Exchange (Nymex), the April 2018 natural gas futures contract price rose 11¢ from $2.667/MMBtu to $2.777/MMBtu from start to end of the Report Week.
-Net natural gas withdrawals from storage totaled 57 Bcf for the week ending March 2, compared with the five-year (201317) average net withdrawal of 129 Bcf and last year's net withdrawals of 57 Bcf during the same week. Working gas stocks totaled 1,625 Bcf, which is 300 Bcf (16%) less than the five-year average and 680 Bcf (30%) less than last year at this time. Working gas stocks in all regions in the Lower 48 states are lower than year-ago levels.
- otal U.S. consumption of natural gas rose by 2% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation declined by 5% week over week. Industrial sector consumption increased by 1% week over week. In the residential and commercial sectors, consumption increased by 10% as temperatures generally became colder, except on the West Coast. Natural gas exports to Mexico were the same as last week, averaging 4.3 Bcf/d.
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 73¢, averaging $7.18/MMBtu for the week ending March 7. The price of propane, butane, and isobutane fell by 17%, 10%, and 16%, respectively. The price of natural gasoline rose by 5%. The price of ethane remained flat week over week.
-According to Baker Hughes, for the week ending Tuesday, February 27, the natural gas rig count increased by 2 to 181. The number of oil-directed rigs rose by 1 to 800the highest level since April 2015. The total rig count increased by 3, and it now stands at 981.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Apr 2017 - Mar 2018:



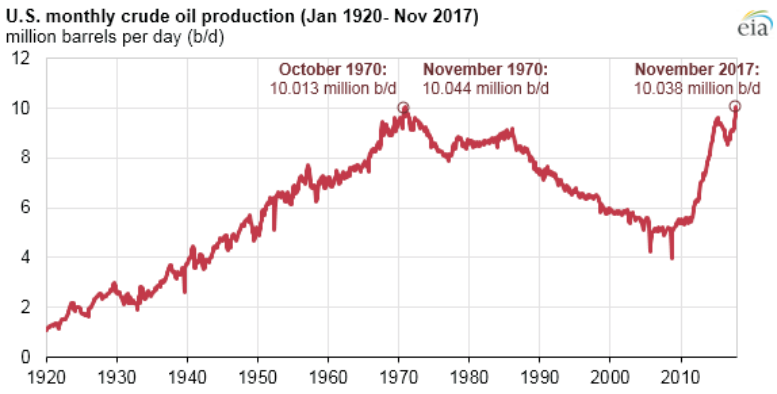
Working nat. gas in underground storage as of March 2, 2018



Forward 12-month NYMEX natural gas strip price - Apr18-Mar19:

Process Load-weighted $2.835/dth - w/o/w = ▲$0.099
Typical Heat Load-weighted $2.899/dth - w/o/w = ▲$0.091

US monthly crude oil production exceeds 10 million barrels per day, highest since 1970:



US crude oil production reached 10.038 million barrels per day (b/d) in November 2017. November's production is the first time since 1970 that monthly US production levels surpassed 10 million b/d and the second-highest US monthly oil production value ever, just below the November 1970 production value of 10.044 million b/d. Within the Lower 48 states, November 2017 production reached a record high in Texas at 3.89 million b/d, followed by North Dakota at 1.18 million b/d. Production in the Federal Gulf of Mexico reached 1.67 million b/d, up 14% from the October 2017 level as the region recovered from Hurricane Nate. US crude oil production has increased significantly over the past 10 years, driven mainly by production from tight rock formations including shale and other fine-grained rock using horizontal drilling and hydraulic fracturing to improve efficiency. US Energy Information Administration (EIA) estimates of crude oil production from tight formations in November 2017 reached 5.09 million b/d, surpassing a previous high of 4.70 million b/d in March 2015. These formations also produce considerable volumes of natural gas associated with the crude oil. Liquid productionboth crude oil and condensatefrom tight rock currently accounts for about 51% of total production. A decade ago, in November 2008, production from tight formations accounted for only 7% of total U.S. production. Non-tight oil production has been mostly constant over the previous decade.

Excerpted from eia

"He who wishes to be rich in a day will be hanged in a year." -Leonardo da Vinci[1]

[1]https://www.brainyquote.com/quotes/leonardo_da_vinci_382755