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Energy Market Report

Report Date: May 5, 2017
Report Week: April 26, 2017 to May 3, 2017

Questions?
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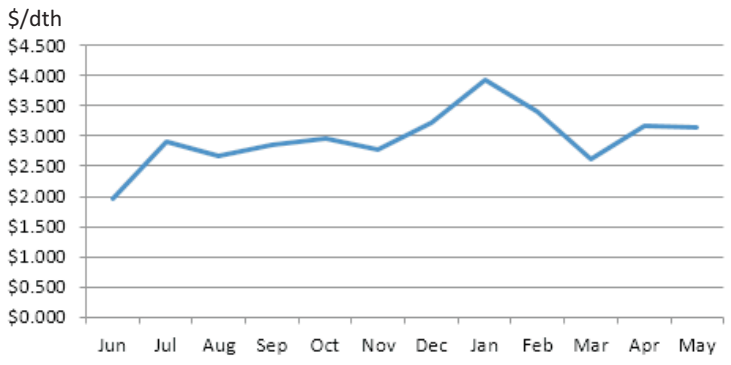
News Tracker:

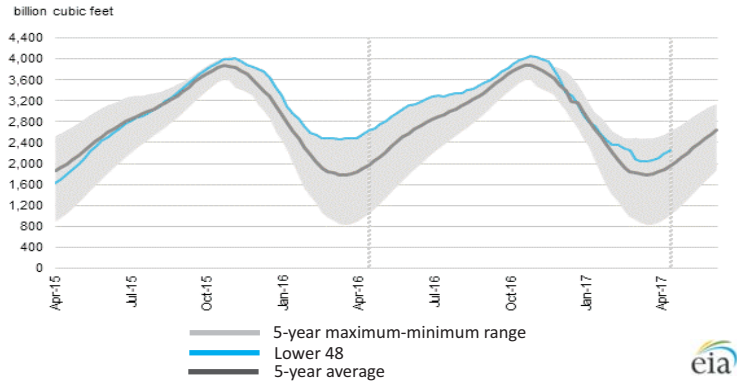
-Natural gas spot prices rose at most locations from Wednesday, April 26 to Wednesday, May 3 (the Report Week). The Henry Hub spot price rose from $3.02 per million British thermal units (MMBtu) to begin the Report Week to $3.09/MMBtu to close the Report Week.
-At the New York Mercantile Exchange (Nymex), the May 2017 natural gas futures contract expired on Wednesday, April 26 at $3.142/MMBtu. The June 2017 futures contract is now the prompt contract and its price decreased to $3.228/MMBtu, down 4¢ from start to end of the Report Week.
-Net injections to working gas totaled 67 billion cubic feet (Bcf) for the week ending April 28. Working natural gas stocks are 2,256 Bcf, which is 359 Bcf (14%) lower than the year-ago level and 303 Bcf (16%) higher than the five-year (201216) average for this week. Temperatures in the Lower 48 states averaged 58°F, 2°F higher than the normal and 1°F lower than last year at this time.
- Total natural gas demand, which includes export volumes to Mexico, rose by 4% compared with the previous report week, while total U.S. consumption of natural gas rose by 3%, according to data from PointLogic. Power burn climbed by 9% week over week. Industrial sector consumption stayed constant, averaging 20.4 Bcf/d. In the residential and commercial sectors, consumption declined by 2%. Natural gas exports to Mexico increased 16%.
- Natural gas pipeline deliveries to the Sabine Pass liquefaction terminal averaged 1.2 Bcf/d for the report week, 10% higher than in the previous week.
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 16¢, averaging $5.95/MMBtu for the week ending May 3. The price of natural gasoline, propane, butane, and isobutane fell by 4%, 5%, 2%, and 2%, respectively. The price of ethane rose by 2%.
-According to Baker Hughes, for the week ending Friday, April 28, the natural gas rig count increased by 4 to 171. The number of oil-directed rigs rose by 9 to 697. The total rig count increased by 13, and it now stands at 870.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Jun2016 - May 2017:



Working nat. gas in underground storage as of April 28, 2017

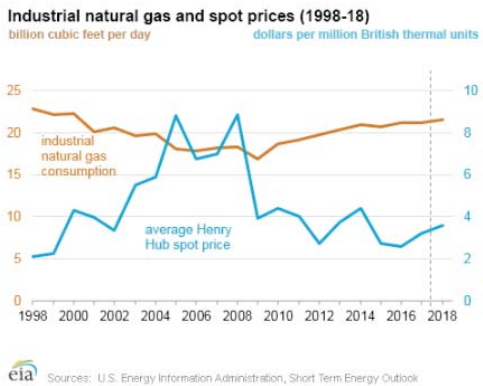


Forward 12-month NYMEX natural gas strip price - Jun17-May18:

Process Load-weighted $3.323/dth - w/o/w = ▼$0.047
Typical Heat Load-weighted $3.404/dth - w/o/w = ▼$0.049

First world-scale, greenfield nitrogenous fertilizer plant opened in over 25 years:

On April 19, the Iowa Fertilizer Company (IFCo) announced the start of production at its plant in Wever, Iowa. The $3 billion plant is estimated to produce 1.5 to 2 million metric tons (MMmt) of nitrogenous fertilizer products annually, using natural gas as both a feedstock and a fuel. According to IFCo, its Wever plant is the first world-scale, greenfield nitrogen fertilizer facility built in the US in more than 25 years. IFCo's parent company, OCI N.V., produces natural gas-based fertilizers throughout the world and is based in the Netherlands. Foreign investment in the US industrial sector is part of a growing trend in natural gas-intensive manufacturing, such as chemical manufacturing. One of the factors supporting this trend is an extended period of low US natural gas prices, which have made it economical for companies to expand or construct new facilities. The industrial sector as a wholewhich includes methanol and ammonia (or urea-based fertilizer plants)consumed an average of 21.2 billion cubic feet per day (Bcf/d) of natural gas in 2016, the highest amount since 2000. Natural gas consumption in this sector is forecast to rise as new plants come online. In 2015, the US produced 9.4 MMmt of ammoniaprimarily for use as fertilizerwhich is projected to grow by 47% through the end of the decade. IFCo receives natural gas from the ANR pipeline, an interstate pipeline that transports natural gas from the South Central region to the Midwest region. According to EIA projections, IFCo will consume an estimated 0.13 Bcf/d of natural gas as feedstock to produce ammonia, which it can convert to produce nitrogenous fertilizer products. Each day, IFCo can produce up to 4,740 short tons of urea ammonium nitrate (UAN), 1,320 short tons of granular urea, 2,425 short tons of ammonia, and 990 short tons of diesel exhaust fluid. According to the company, they will be able to alternate between products on short notice to respond to market demand.



Excerpted from eia

"Whoever doesn't know it must learn and find by experience that 'a quiet conscience makes one strong!'." -Anne Frank[1]

[1]https://www.brainyquote.com/quotes/quotes/a/annefrank752401.html