

News Tracker:

-Natural gas spot prices rose at most locations outside of the Northeast this Report Week (Wednesday, July 6, to Wednesday, July 13). The Henry Hub spot price reversed the previous Report Week's decline, rising by 6¢ from \$2.75/MMBtu to open the Report Week to \$2.81/MMBtu to end the Report Week, making up a third of the previous decline.

-At the New York Mercantile Exchange (Nymex), the price of the near-month (August 2016) natural gas futures contract fell, losing about 5¢ and ending the Report Week at \$2.737/MMBtu.

-Net injections to working gas totaled 64 Bcf for the week ending July 8. Working gas stocks are 3,243 Bcf, which is 19% above the year-ago level and 22% above the five-year (2011-15) average for this week. Temperatures in the Lower 48 states averaged 75°F during the storage report week, virtually the same as last week. Temperatures during the report week were close to normal throughout most of the Lower 48 states, less than 1% above normal on average. Cooling degree-days in the Lower 48 states since the beginning of the refill season on April 1 were 19% above normal.

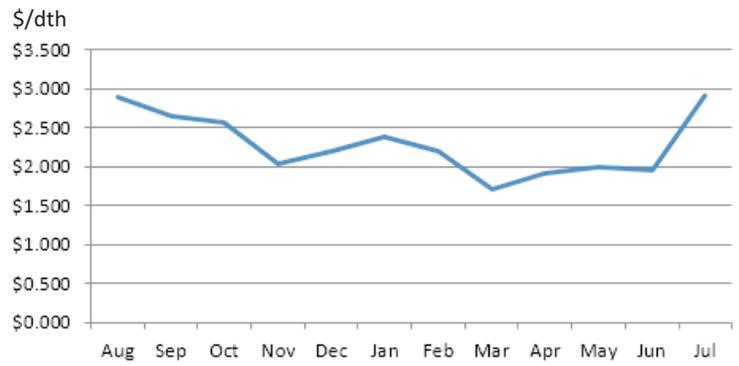
-During the Report Week, total U.S. consumption of natural gas rose by 5% according to data from PointLogic. Power burn rose by 9% week over week, averaging 35.2 Bcf/d this week and making up more than half of total consumption this week. Industrial sector consumption remained the same as last week, averaging 19.5 Bcf/d. In the residential and commercial sectors, consumption remained the same as last week, averaging 7.3 Bcf/d. Natural gas exports to Mexico fell by 3%.

-According to Baker Hughes, for the week ending Friday, July 8, the natural gas rig count declined by 1 to 88. Oil-directed rigs increased by 10 to 351, the second consecutive double-digit increase in the oil rig count. The total rig count increased by 9 over the week.

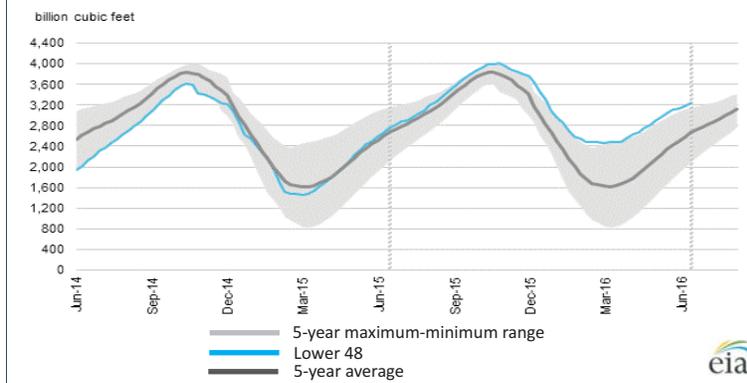
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 42¢, closing at \$4.99/MMBtu for the week ending July 8. The price of natural gasoline and propane fell 5%. The prices of butane and isobutane fell 8% and 7%, respectively, and the price of ethane fell 14%.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Aug 2015 - Jul 2016:



Working nat. gas in underground storage as of July 8, 2016

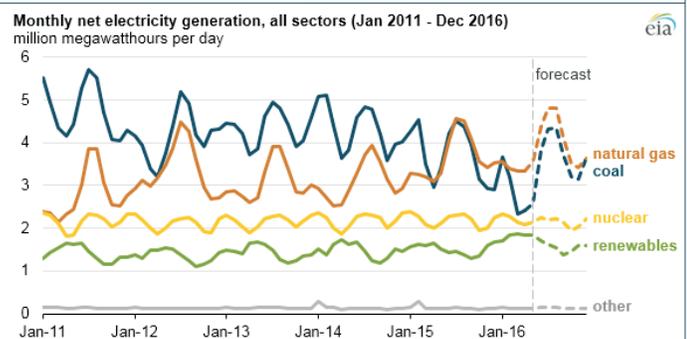


Forward 12-month NYMEX natural gas strip price - Aug16-Jul17:

Process Load-weighted \$3.040/dth (w/w = -\$0.035)
Typical Heat Load-weighted \$3.153/dth (w/w = -\$0.028)

Natural gas-fired electricity generation expected to reach record level in 2016:

Natural gas-fired electricity generation in the US is expected to reach a record level this year, providing an average of 3.8 million megawatthours per day in 2016, or 4% higher than in 2015. Based on US Energy Information Administration projections, monthly natural gas-fired generation is expected to reach record highs in July and August, when weather-related demand for air conditioning increases electricity demand. Natural gas had long been the second-most prevalent fuel for electricity generation behind coal. Natural gas-fired generation first surpassed coal generation on a monthly basis in April 2015. Natural gas-fired generation has surpassed coal-fired generation in most months since then and is expected to continue to exceed coal generation through the remainder of the year, ultimately providing 34% of the United States's electricity generated this year. Coal's share of the 2016 U.S. electricity generating mix is expected to be 30%, nuclear, 19%, and renewables, 15%. Forecasted electricity demand is sensitive to weather predictions. The National Oceanic and Atmospheric Administration (NOAA) expects that the summer of 2016 (April through September) will have about as many cooling degree days as the summer of 2015. Cooling degree days reflect the population-weighted temperature difference from a base temperature of 65 degrees Fahrenheit. Nationally, the number of cooling degree days is expected to reach a high of about 360 in July 2016, or about 10% lower than the monthly record of 404 cooling degree days set in July 2011.



Excerpted from 

“Everybody wants to spend somebody else’s money. And nobody spends somebody else’s money as carefully as he spends his own.” -Milton Friedman¹

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¹ Milton Friedman Interview - Academy of Achievement (June 8, 2009), retrieved July 15, 2016, from <http://www.achievement.org/autodoc/page/fri0int-6>