

News Tracker:


-Hurricane Florence is set to make landfall in the Carolinas as a Category 2 storm. Evacuation orders are in effect for more than one million people, likely affecting power demand. Nuclear energy is the most-used fuel for electricity generation in both North Carolina and South Carolina. As of Wednesday, no nuclear outages have been reported. Click here for Energy Disruption energy infrastructure maps and real-time storm information.

-US natural gas spot prices fell at most locations for the Report Week of Wednesday, September 5 to Wednesday, September 12. Henry Hub spot prices decreased from \$2.94 per million British thermal units (MMBtu) to \$2.93/MMBtu from start to finish of the Report Week.

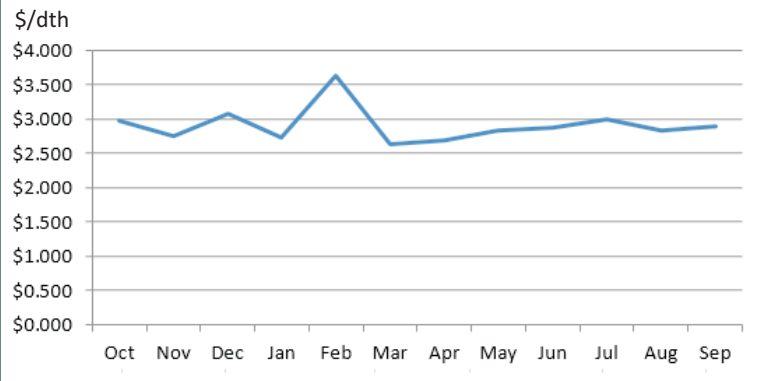
-At the New York Mercantile Exchange (Nymex), the October 2018 natural gas futures contract price rose 3¢ from \$2.795/MMBtu to \$2.829/MMBtu from beginning to end of the Report Week.

-Net natural gas injections into storage totaled 69 Bcf for the week ending September 7, compared with the five-year (2013-17) average net injections of 74 Bcf and last year's net injections of 87 Bcf during the same week. Working gas stocks totaled 2,636 Bcf, which is 596 Bcf (18%) lower than the five-year average and 662 Bcf (20%) lower than last year at this time. The average rate of net injections into storage is 16% lower than the five-year average so far in the 2018 refill season. If the rate of injections into working gas matches the five-year average of 10.8 Bcf/d for the remainder of the refill season, total inventories will be 3,219 Bcf on October 31, which is 341 Bcf lower than the five-year low of 3,560 Bcf. Temperatures in the Lower 48 states averaged 76 degrees Fahrenheit (°F), 5°F higher than normal and 6°F higher than last year at this time.

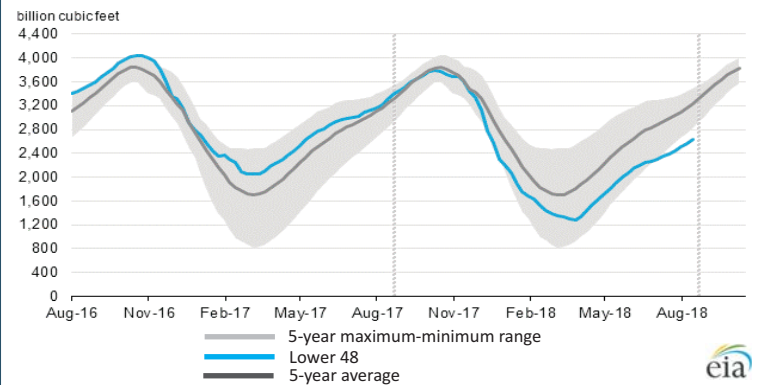
-Total U.S. consumption of natural gas fell by 1% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation declined by 8% week over week. Industrial sector consumption increased by 1% week over week. In the residential and commercial sectors, consumption increased by 26%. Natural gas exports to Mexico decreased 7%.

-According to Baker Hughes, for the week ending Tuesday, September 4, the natural gas rig count increased by 2 to 186. The number of oil-directed rigs fell by 2 to 860. The total rig count stayed at 1,048. Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Oct 2017 - Sep 2018:




Working natural gas in underground storage as of September 7, 2018



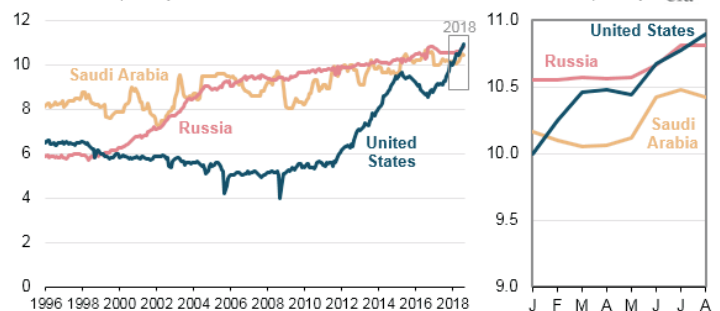
Forward 12-month NYMEX natural gas strip price - Oct18-Sep19:

Process Load-weighted \$2.765/dth - w/o/w = ▲\$0.013
 Typical Heat Load-weighted \$2.848/dth - w/o/w = ▲\$0.010

The United States is now the largest global crude oil producer:

The United States likely surpassed Russia and Saudi Arabia to become the world's largest crude oil producer earlier this year, based on preliminary estimates from the US Energy Information Administration (EIA). In February, US crude oil production exceeded that of Saudi Arabia for the first time in more than two decades. In June and August, the US surpassed Russia in crude oil production for the first time since February 1999. EIA expects that US crude oil production will continue to exceed Russian and Saudi Arabian crude oil production for the remaining months of 2018 and through 2019. US crude oil production, particularly from light sweet crude oil grades, has rapidly increased since 2011. Much of the recent growth has occurred in areas such as the Permian region in western Texas and eastern New Mexico, the Federal Offshore Gulf of Mexico, and the Bakken region in North Dakota and Montana. The oil price decline in mid-2014 resulted in US producers reducing their costs and temporarily scaling back crude oil production. However, after crude oil prices increased in early 2016, investment and production began increasing later that year. By comparison, Russia and Saudi Arabia have maintained relatively steady crude oil production growth in recent years. Saudi Arabia's crude oil and other liquids production data are EIA internal estimates. Russian data mainly come from the Russian Ministry of Oil, which publishes crude oil and condensate numbers. Other sources used to inform these estimates include data from major producing companies, international organizations (such as the International Energy Agency), and industry publications, among others. Excerpted from 

Monthly crude oil production (Jan 1994-Aug 2018)
 million barrels per day



“It is foolish and wrong to mourn the men who died. Rather we should thank God that such men lived.” -George S. Patton¹