

News Tracker:


-Natural gas spot price movements were mixed for the Report Week of Wednesday, September 19 to Wednesday, September 26. Henry Hub spot prices rose from \$3.06 per million British thermal units (MMBtu) to \$3.13/MMBtu from start to finish of the Report Week.

-At the New York Mercantile Exchange (Nymex), the October 2018 natural gas futures contract expired on Wednesday, September 26 at \$3.021/MMBtu. The November 2018 contract price increased to \$2.980/MMBtu, up 10¢ for the Report Week.

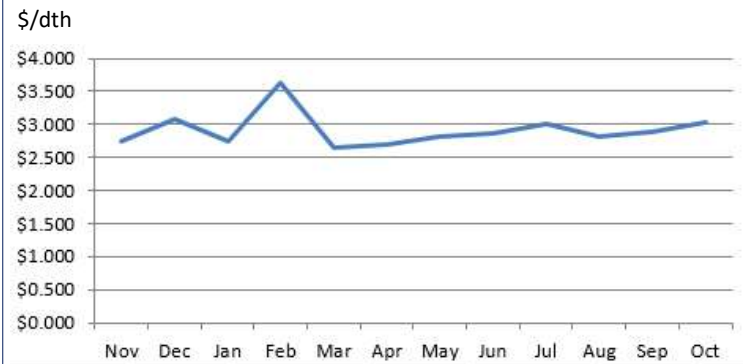
-Net natural gas injections into storage totaled 46 Bcf for the week ending September 21, compared with the five-year (2013-17) average net injections of 81 Bcf and last year's net injections of 64 Bcf during the same week. Working gas stocks totaled 2,768 Bcf, which is 621 Bcf (18%) lower than the five-year average and 690 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, which covers April through October. If the rate of injections into working gas matched the five-year average of 10.7 Bcf/d for the remainder of the refill season, total inventories would be 3,194 Bcf on October 31, which is 621 Bcf lower than the five-year average of 3,815 Bcf.

-Total U.S. consumption of natural gas fell by 2% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation declined by 10% week over week with cooler weather moving in this week. Industrial sector consumption increased by 2% week over week, while combined residential and commercial sector consumption increased by 22%. Natural gas exports to Mexico decreased 2%.

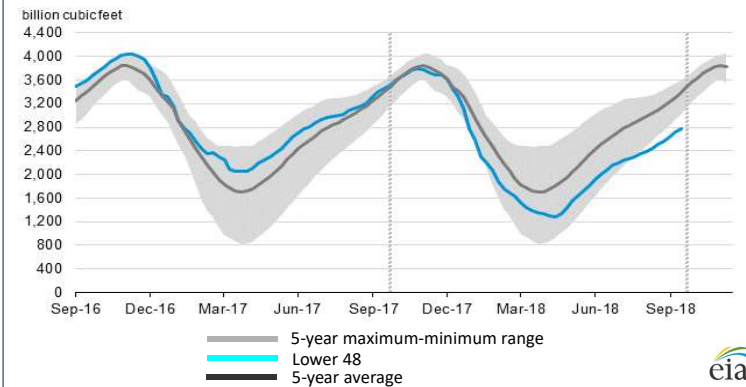
According to Baker Hughes, for the week ending Tuesday, September 18, the natural gas rig count remained flat at 186. The number of oil-directed rigs fell by 1 to 866. The total rig count decreased by 2, and it now stands at 1,053.

Excerpted from 

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



Working natural gas in underground storage as of Sept. 21, 2018

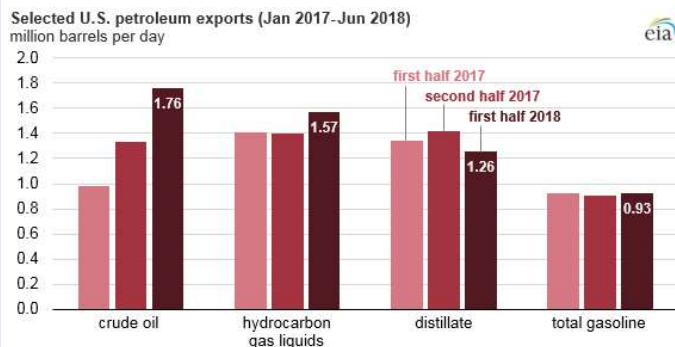


Forward 12-month NYMEX natural gas strip price - Nov18-Oct19:

Process Load-weighted \$2.813/dth - w/o/w = ▲\$0.056
 Typical Heat Load-weighted \$2.932/dth - w/o/w = ▲\$0.073

Crude oil was the largest US petroleum export in the first half of 2018:

Crude oil surpassed hydrocarbon gas liquids (HGL) to become the largest US petroleum export, with 1.8 million barrels per day (b/d) of exports in the first half of 2018. US crude oil exports increased by 787,000 b/d, or almost 80%, from the first half of 2017 to the first half of 2018 and set a new monthly record of 2.2 million b/d in June. Much of this crude oil went to destinations in Asia and Oceania such as China, South Korea, and India. Europe was the second-largest market for US crude oil exports, led by Italy, the United Kingdom, and the Netherlands. Canada was the only major US crude oil export destination where exports decreased, down slightly in the first half of 2018 compared with the same period in 2017. The US



exported 7.3 million barrels per day (b/d) of crude oil and petroleum products in the first half of 2018, the largest amount of crude oil and petroleum product exports ever for the first six months of a year. During this period, exports of crude oil and HGL set record monthly highs. US exports of crude oil, HGLs, and motor gasoline grew in the first half of 2018 compared with the same period in 2017, while distillate exports decreased. HGLs including propane, ethane, butanes, and natural gas were the second-largest petroleum export from the US in the first half of 2018 at 1.6 million b/d. As with crude oil, destinations in Asia and Oceania such as Japan, South Korea, China, and India were also the primary recipients of US HGLs. These countries have expanded petrochemical facilities that import US HGLs as a feedstock. Overall US HGL exports set a new monthly record at 1.7 million b/d in May.

Excerpted from 

“As the builders say, the larger stones do not lie will without the lesser.” -Plato¹