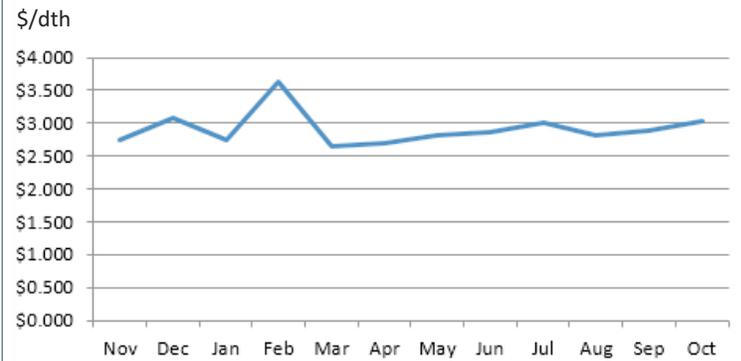


### News Tracker:

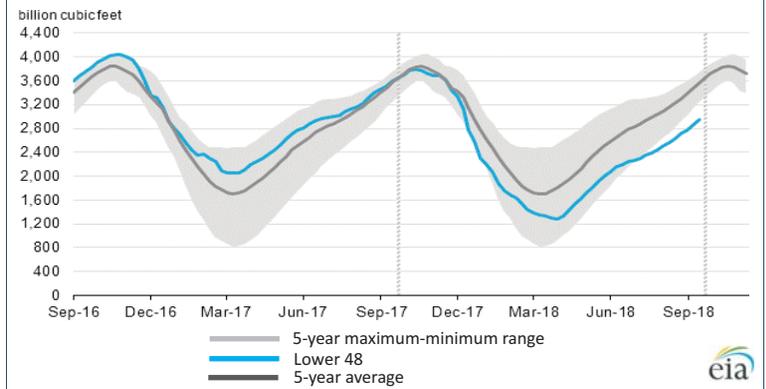
- Natural gas spot price movements rose at most locations for the Report Week of Wednesday, October 3 to Wednesday, October 10. Henry Hub spot prices rose from \$3.26 per million British thermal units (MMBtu) to \$3.37/MMBtu during the course of the Report Week.
- At the New York Mercantile Exchange (Nymex), the November 2018 natural gas futures contract price rose 5¢ from \$3.230/MMBtu to \$3.284/MMBtu from open to close of the Report Week.
- This Report Week, Henry Hub *spot prices* rose 11¢ from \$3.26/MMBtu last Wednesday to \$3.37/MMBtu yesterday. This week marks the fourth consecutive week of a Henry Hub price increase; during this period the Henry Hub spot price rose 15%. Persistent low storage levels, coupled with high power burn because of warmer-than-normal temperatures and record nuclear outages, have contributed to higher Henry Hub prices. At the Chicago Citygate, prices increased 19¢ from \$3.18/MMBtu last Wednesday to \$3.37/MMBtu yesterday. Prices at PG&E Citygate in Northern California rose 27¢, up from \$3.50/MMBtu last Wednesday to \$3.77/MMBtu yesterday. Prices at SoCal Citygate decreased 75¢ from \$4.42/MMBtu last Wednesday to \$3.67/MMBtu yesterday. Temperatures in the Lower 48 states averaged 66 degrees Fahrenheit (°F), 4°F higher than normal and 2°F higher than last year at this time.
- Net natural gas injections into storage totaled 90 Bcf for the week ending October 5, which is the same as the five-year (2013-17) average net injections and higher than last year's net injections (81 Bcf) during the same week. Working gas stocks totaled 2,956 Bcf, which is 607 Bcf (17%) lower than the five-year average and 627 Bcf (17%) lower than last year at this time.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 73¢, averaging \$10.07/MMBtu for the week ending October 10. The price of natural gasoline, ethane, propane, butane, and isobutane fell by 1%, 16%, 3%, 6%, and 7%, respectively.
- According to Baker Hughes, for the week ending Tuesday, October 2, the natural gas rig count remained flat at 189. The number of oil-directed rigs fell by 2 to 861. The total rig count decreased by 2, and it now stands at 1,052.

Excerpted from 

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



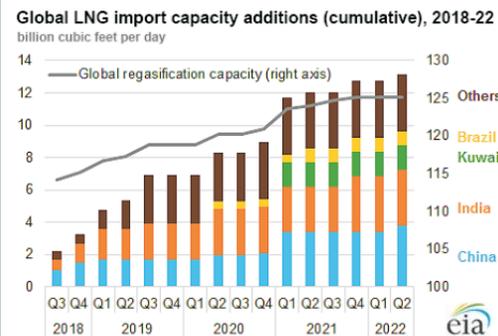
### Working natural gas in underground storage as of Oct. 5, 2018



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

Process Load-weighted \$2.968/dth - w/o/w = ▲\$0.037  
 Typical Heat Load-weighted \$3.135/dth - w/o/w = ▲\$0.045

### Global LNG import capacity steadily growing:



In April 2018, Bangladesh became the newest country to begin imports of liquefied natural gas (LNG). In the next two years, six more countries Panama, Gibraltar, Russia, Philippines, Ghana, and Bahrain are expected to start importing LNG, adding a combined 2.1 billion cubic feet per day (Bcf/d) of new regasification import capacity. In 2017, global LNG trade expanded by a record 10% (3.5 Bcf/d) compared to the prior year, with 19 exporting countries and 40 importing countries engaged in LNG trade. By 2022, once all regasification terminals currently under construction are completed, global regasification capacity is projected to expand by 13.1 Bcf/d (a 12% increase) compared to 2017 and reach 125 Bcf/d. Although, historically, global nameplate regasification capacity far exceeded LNG imports (capacity utilization averaged 32%38% annually over the past ten years), utilization of the new regasification capacity is expected to be higher as many of the new regasification terminals will serve specific downstream projects, have associated long-term LNG import contracts, and/or are built in markets with rapidly growing natural gas demand. Most of the new regasification capacity coming online in 2018-22 is located in China and India, which are projected to add 7.3 Bcf/d (combined),

accounting for 55% of the total global capacity additions in this period. Regionally, Asia (including China and India) will lead the growth in global regasification capacity additions with 8.5 Bcf/d under construction (65% of the total global additions). Other projected additions to the global total include: Bahrain and Kuwait at 2.3 Bcf/d (18%); Brazil and Panama at 1 Bcf/d (8%); Belgium, Greece, Russia, Finland, and Gibraltar at 0.8 Bcf/d (6%); and Ghana at 0.45 Bcf/d (3%). Almost three-quarters of the new capacity additions (9.5 Bcf/d) will be located onshore, and 3.6 Bcf/d of the new regasification capacity will include offshore terminals connected to Floating Storage and Regasification Units (FSRUs).

Excerpted from 

“I can’t change the direction of the wind, but I can adjust my sails to always reach my destination.” -Jimmy Dean<sup>1</sup>