



# Weekly Energy Report



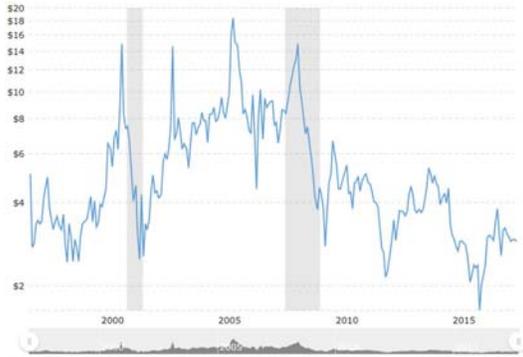
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## Natural Gas in Underground Storage

The weekly EIA Natural Gas Storage Report advised that there was an injection of 51Bcf (billion cubic feet) into Underground Storage for the week ending October 13th, 2017.

This is 1Bcf above the median forecast of a 50Bcf injection, the average prediction of sector analysts and traders in the Dow Jones Newswires weekly survey. The injection one year ago was 77Bcf and the 5-year average injection is 78Bcf. Storage is 179Bcf below last year for the same week and 35Bcf below the 5-year average...

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## Natural Gas Pricing

As of 9:37AM CST, November 2017, (the prompt month) Natural Gas was trading at \$2.84, -\$0.11 from one week ago and the 1-Year Spread average was \$3.02, -\$0.01 from one week ago...

## Crude Oil Pricing

As of 9:47AM CST, November, 2017, (the prompt month) Light, Sweet Crude on the NYMEX was at \$51.59, +\$1.25 from one week ago.

| Crude Oil & Natural Gas         |           |           |         |         |          |          |       |
|---------------------------------|-----------|-----------|---------|---------|----------|----------|-------|
| INDEX                           | UNITS     | PRICE     | CHANGE  | %CHANGE | CONTRACT | TIME EDT | 2 DAY |
| CL1COM<br>WTI Crude Oil (Nymex) | USD/REL   | 51.36     | -0.68   | -1.33%  | Nov 2017 | 10:00 AM |       |
| CO1COM<br>Brent Crude (ICE)     | USD/REL   | 57.39     | -0.76   | -1.33%  | Dec 2017 | 10:00 AM |       |
| OP1COM<br>Crude Oil (Tokyo)     | JP/IN     | 38,070.00 | -430.00 | -1.12%  | Mar 2018 | 10:05 AM |       |
| NG1COM<br>Natural Gas (Nymex)   | USD/MMBtu | 2.86      | -0.01   | -0.35%  | Nov 2017 | 10:00 AM |       |

| U.S. Petroleum Balance Sheet, Week Ending 10/13/2017 |              |         |
|--|--------------|---------|
| Petroleum Stocks<br>(Million Barrels)                | Current Week |         |
|  | 10/13/17     | 10/6/17 |
| Crude Oil .....                                      | 1,128.2      | 1,134.7 |
| Commercial (Excluding SPR) <sup>2</sup> .....        | 456.5        | 462.2   |
| Strategic Petroleum Reserve (SPR) <sup>3</sup> ..... | 671.7        | 672.4   |
| Total Motor Gasoline <sup>4</sup> .....              | 222.3        | 221.4   |
| Reformulated .....                                   | 0.0          | 0.0     |
| Conventional .....                                   | 23.8         | 21.3    |
| Blending Components .....                            | 198.5        | 200.1   |
| Fuel Ethanol .....                                   | 21.5         | 21.5    |
| Kerosene-Type Jet Fuel .....                         | 41.6         | 43.1    |
| Distillate Fuel Oil <sup>4</sup> .....               | 134.5        | 134.0   |
| 15 ppm sulfur and Under <sup>4</sup> .....           | 115.9        | 115.6   |
| > 15 ppm to 500 ppm sulfur .....                     | 6.9          | 7.0     |
| > 500 ppm sulfur .....                               | 11.6         | 11.4    |
| Residual Fuel Oil .....                              | 34.6         | 35.8    |
| Propane/Propylene .....                              | 78.8         | 78.9    |
| Other Oils <sup>5</sup> .....                        | 294.3        | 295.8   |
| Unfinished Oils .....                                | 87.7         | 89.3    |
| Total Stocks (Including SPR) <sup>3,4</sup> .....    | 1,955.8      | 1,965.2 |
| Total Stocks (Excluding SPR) <sup>4</sup> .....      | 1,284.1      | 1,292.7 |

## Crude Oil Inventory

US crude inventories decreased by 2.8 million barrels to 462.2 million barrels for the week ended October 6th, according to data released yesterday morning by the US Department of Energy. Traders in the Reuters poll projected a draw of 2.4 million barrels.

# U.S. Rotary Rigs

U.S. Rotary Rigs drilling for natural gas were -2 at 185 for the week of October 13th. The number of rigs currently drilling for Natural Gas is 80 higher than last year's level of 105. US Rigs drilling for oil were -5 at 743 There are 311 more rigs targeting oil than last year. Canadian rigs were +3 at 212 for the week. Rigs targeting oil remain at 80% of all drilling activity.

| North American Rig Count | 10/13/2017 |            |            | 10/06/2017      |        |        | 10/14/2016 |        |        | Change |        | Percent Change |  |
|--------------------------|------------|------------|------------|-----------------|--------|--------|------------|--------|--------|--------|--------|----------------|--|
|                          | 10/13/2017 | 10/06/2017 | 10/14/2016 | Weekly          | Annual | Weekly | Annual     | Weekly | Annual | Weekly | Annual |                |  |
| Total U.S.               | 928        | 936        | 539        | (8)             | 389    | -0.9%  | 72.2%      |        |        |        |        |                |  |
| Offshore                 | 20         | 22         | 23         | (2)             | (3)    | -9.1%  | -13.0%     |        |        |        |        |                |  |
| Land                     | 908        | 914        | 516        | (6)             | 392    | -0.7%  | 76.0%      |        |        |        |        |                |  |
| Inland Waters            | 1          | 1          | 3          | 0               | (2)    | 0.0%   | -66.7%     |        |        |        |        |                |  |
| Oil                      | 743        | 748        | 432        | (5)             | 311    | -0.7%  | 72.0%      |        |        |        |        |                |  |
| Percent                  | 80.1%      | 79.9%      | 80.1%      | 0.2%            | -0.1%  |        |            |        |        |        |        |                |  |
| Gas                      | 185        | 187        | 105        | (2)             | 80     | -1.1%  | 76.2%      |        |        |        |        |                |  |
| Percent                  | 19.9%      | 20.0%      | 19.5%      | -0.0%           | 0.5%   |        |            |        |        |        |        |                |  |
| Directional              | 79         | 79         | 51         | 0               | 28     | 0.0%   | 54.9%      |        |        |        |        |                |  |
| Horizontal               | 786        | 792        | 431        | -6              | 355    | -0.8%  | 82.4%      |        |        |        |        |                |  |
| Vertical                 | 63         | 65         | 57         | -2              | 6      | -3.1%  | 10.5%      |        |        |        |        |                |  |
| Gulf of Mexico           | 20         | 22         | 22         | -2              | -2     | -9.1%  | -9.1%      |        |        |        |        |                |  |
| Gulf Oil                 | 17         | 18         | 22         | -1              | -5     | -5.6%  | -22.7%     |        |        |        |        |                |  |
| Percent                  | 85.0%      | 81.8%      | 100.0%     | 3.2%            | -15.0% |        |            |        |        |        |        |                |  |
| Gulf Gas                 | 3          | 4          | 0          | -1              | 3      | -25.0% | n.a.       |        |        |        |        |                |  |
| Percent                  | 15.0%      | 18.2%      | 0.0%       | -3.2%           | 15.0%  |        |            |        |        |        |        |                |  |
| Canada                   | 212        | 209        | 165        | 3               | 47     | 1.4%   | 28.5%      |        |        |        |        |                |  |
| Oil                      | 112        | 112        | 90         | 0               | 22     | 0.0%   | 24.4%      |        |        |        |        |                |  |
| Percent                  | 52.8%      | 53.6%      | 54.5%      | -0.8%           | -1.7%  |        |            |        |        |        |        |                |  |
| Gas                      | 100        | 97         | 75         | 3               | 25     | 3.1%   | 33.3%      |        |        |        |        |                |  |
| Percent                  | 47.2%      | 46.4%      | 45.5%      | 0.8%            | 1.7%   |        |            |        |        |        |        |                |  |
| North America            | 1,140      | 1,145      | 704        | (5)             | 436    | -0.4%  | 61.9%      |        |        |        |        |                |  |
| <b>Prices</b>            |            |            |            |                 |        |        |            |        |        |        |        |                |  |
| Oil \$/bbl               | \$50.57    | \$50.22    | \$50.58    | \$0.35 (\$0.01) | 0.7%   | -0.0%  |            |        |        |        |        |                |  |
| Oil \$/mmbtu             | \$8.72     | \$8.66     | \$8.72     | \$0.06 (\$0.00) | 0.7%   | -0.0%  |            |        |        |        |        |                |  |
| Gas \$/mmbtu             | \$2.90     | \$2.83     | \$3.15     | \$0.06 (\$0.25) | 2.2%   | -8.0%  |            |        |        |        |        |                |  |



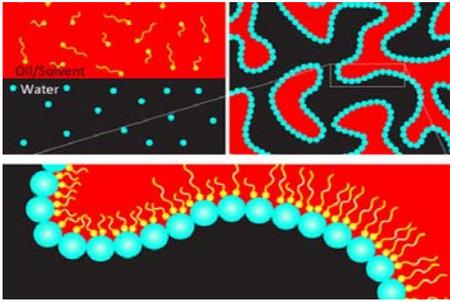
## Geopolitical

Coal's decline in Texas accelerated this week as Luminant announced it would close three coal-fired power plants in early 2018. Combined, they account for 12% of the state's coal power plant capacity. The state's largest power generator revealed Friday that the Big Brown Plant southeast of Corsicana and Sandow Plant northeast of Austin would close next year. A week ago, Luminant announced...



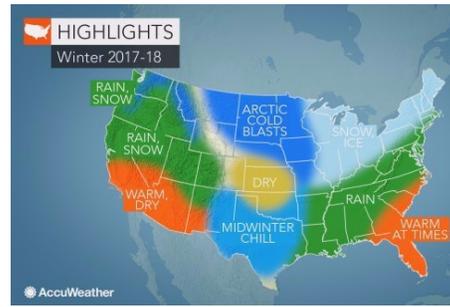
## Weather

**The AccuWeather 1-5 day Outlook** forecasts above-normal temperatures for 90% of the US while the Northwest is projected to be normal or below-normal. The 6-10 Day Outlook forecasts the West and Northeast at above normal temps with the Southeast at normal or below-normal. The 11-15 Day Outlook forecasts much of the East at below-normal temps with the West...



## Sustainability and Renewables

**Yet Another Energy Storage Improvement Coming, Thanks To “Weirdly Exciting” New Substance:** Energy storage is already accelerating the transition to wind and solar energy, and things are about to get a little more interesting. Scientists at the Energy Department’s Lawrence Berkeley National Laboratory have come up with a new “bijel” that could have some interesting energy storage applications. They’re still trying to find the right adjectives to describe it, but “weirdly exciting” seems to fit the bill for now...



## This Week's Key Takeaway

Natural Gas pricing has been range-bound around \$3.00 for the past several months. The latest long-range outlook from the Climate Prediction Center is calling for higher probabilities of warmer-than-average temperatures this winter across the southern United States and equal chances for normal temperatures elsewhere. Should the North be warmer-than-normal as well, this could spell a continuation of pricing in the same range instead of a rise in prices, which would be anticipated due to higher demand in the winter months.

| Next Day On-Peak Power (traded for 10/19/2017) |                             |                         |
|--|-----------------------------|-------------------------|
| ISO-NE Mass Hub<br>\$33.13                     | MISO Indiana Hub<br>\$32.50 | NYISO Zone G<br>\$29.36 |
| PJM West Hub<br>\$28.81                        | ERCOT North<br>\$22.50      | CAISO SP15<br>\$40.99   |

