



Weekly Energy Report

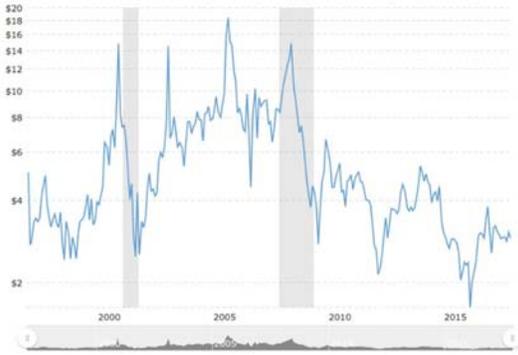


Natural Gas in Underground Storage

The weekly EIA Natural Gas Storage Report advised that there was a withdrawal of 69Bcf (billion cubic feet) from Underground Storage for the week ending December 8th, 2017.

This is 5Bcf above the median forecast of a 64Bcf withdrawal, the average prediction of sector analysts and traders in the Dow Jones Newswires weekly survey. The withdrawal one year ago was 132Bcf and the 5-year average withdrawal is 78Bcf. Storage is 201Bcf below last year for the same week and 27Bcf below the 5-year average.

[Read More](#)



Natural Gas Pricing

As of 9:16AM CST, January 2018, (the prompt month) Natural Gas was trading at \$2.69, -\$0.11 from one week ago and the 1-Year Spread average was \$2.71, -\$0.11 from one week ago...

Crude Oil Pricing

As of 9:14AM CST, January, 2018, (the prompt month) Light, Sweet Crude on the NYMEX was at \$56.56, +\$0.21 from one week ago.

Crude Oil & Natural Gas

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)	2 DAY
CL1COM WTI Crude Oil (Nymex)	USD/BBL	56.56	+0.04	+0.07%	Jan 2018	10:14 AM	
CO1COM Brent Crude (ICE)	USD/BBL	62.65	+0.21	+0.34%	Feb 2018	10:14 AM	
CF1COM Crude Oil (Tokyo)	JPY/BL	41320.00	+50.00	+0.12%	May 2018	10:18 AM	
NG1COM Natural Gas (Nymex)	USD/MMBtu	2.69	-0.02	-0.88%	Jan 2018	10:14 AM	

Petroleum Stocks (Million Barrels)	Current Week	12/1/17
	12/8/17	
Crude Oil	1,105.9	1,110.8
Commercial (Excluding SPR) ¹	443.0	448.1
Strategic Petroleum Reserve (SPR) ²	662.9	662.7
Total Motor Gasoline ³	226.5	220.9
Reformulated	0.0	0.0
Conventional	26.0	23.7
Blending Components	200.5	197.2
Fuel Ethanol	22.4	22.5
Kerosene-Type Jet Fuel	40.9	40.3
Distillate Fuel Oil ³	128.1	129.4
15 ppm sulfur and Under ³	111.4	113.0
> 15 ppm to 500 ppm sulfur	7.2	6.9
> 500 ppm sulfur	9.4	9.6
Residual Fuel Oil	31.5	31.1
Propane/Propylene	74.7	74.5
Other Oils ⁴	280.0	282.8
Unfinished Oils	85.9	86.1
Total Stocks (Including SPR) ^{2,3}	1,910.0	1,912.3
Total Stocks (Excluding SPR) ³	1,247.1	1,249.6

Crude Oil Inventory

US crude inventories fell by 5.1 million barrels to 443.0 million barrels for the week ended Dec 8, according to data released yesterday morning by the US Department of Energy. Traders in the Reuters poll projected a draw of 3.8M barrels.

U.S. Rotary Rigs

U.S. Rotary Rigs drilling for natural gas were unchanged at 180 for the week of December 8th. The number of rigs currently drilling for Natural Gas were 55 higher than last year's level of 125. US Rigs drilling for oil were +2 at 751 There are 253 more rigs targeting oil than last year. Canadian rigs were -3 at 219 for the week. Rigs targeting oil remain at 81% of all drilling activity.

North American Rig Count				Change		Percent Change	
	12/08/2017	12/01/2017	12/09/2016	Weekly	Annual	Weekly	Annual
Total U.S.	931	929	624	2	307	0.2%	49.2%
Offshore	20	20	22	0	(2)	0.0%	-9.1%
Land	911	909	602	2	309	0.2%	51.3%
Inland Waters	2	1	1	1	1	100.0%	100.0%
Oil	751	749	498	2	253	0.3%	50.8%
Percent	80.7%	80.6%	79.8%	0.0%	0.9%		
Gas	180	180	125	0	55	0.0%	44.0%
Percent	19.3%	19.4%	20.0%	-0.0%	-0.7%		
Directional	71	71	51	0	20	0.0%	39.2%
Horizontal	796	792	503	4	293	0.5%	58.3%
Vertical	64	66	70	-2	-6	-3.0%	-8.6%
Gulf of Mexico	20	20	22	0	-2	0.0%	-9.1%
Gulf Oil	16	16	22	0	-6	0.0%	-27.3%
Percent	80.0%	80.0%	100.0%	0.0%	-20.0%		
Gulf Gas	4	4	0	0	4	0.0%	n.a.
Percent	20.0%	20.0%	0.0%	0.0%	20.0%		
Canada	219	222	230	(3)	(11)	-1.4%	-4.8%
Oil	112	111	117	1	(5)	0.9%	-4.3%
Percent	51.1%	50.0%	50.9%	1.1%	0.3%		
Gas	107	111	112	(4)	(5)	-3.6%	-4.5%
Percent	48.9%	50.0%	48.7%	-1.1%	0.2%		
North America	1,150	1,151	854	(1)	296	-0.1%	34.7%
Prices							
Oil \$/bbl.	\$57.01	\$57.82	\$50.97 (\$0.81)	\$6.04	-1.4%	11.9%	
Oil \$/mmbtu	\$9.83	\$9.97	\$8.79 (\$0.14)	\$1.04	-1.4%	11.9%	
Gas \$/mmbtu	\$2.85	\$2.91	\$3.70 (\$0.07) (\$0.85)		-2.3%	-22.9%	



Geopolitical

U.S. Secretary of Energy Rick Perry has discussed possible U.S. exports of liquefied natural gas (LNG) with Saudi Arabia in his meetings with top Saudi officials earlier this week, Secretary Perry said at an energy conference in Abu Dhabi, the UAE, on Wednesday.

Weather

The AccuWeather 1-5 day Outlook forecasts below-normal temperatures for the Northeast and above-normal temps for the Central US and Southwest. The 6-10 Day Outlook projects 75% of the country at above-normal temps with the Northeast and part of the West at normal

Secretary Perry was taking part in the Carbon Sequestration Leadership Forum in Abu Dhabi. Before visiting the UAE, Secretary Perry was in Saudi Arabia, where he discussed energy topics with Saudi Arabia's Energy Minister Khalid al-Falih. Secretary Perry and al-Falih signed on Monday...



Sustainability and Renewables

The colossal ITER fusion power facility is halfway finished: Fusion remain the ideal solution for energy woes: Limitless production with no harmful waste. Scientists haven't managed to get a functional (and productive) installation up and running, but that hasn't stopped them from trying. The biggest project is the colossal ITER tokamak fusion reactor, an international project based in France that aims to start its first experiments in 2025. Today, its handlers announced that the massive installation is halfway finished and headed toward a completion date of 2021...

temps. The 11-15 day Outlook forecasts the Central US at below-normal temps with the Southeast at above-normal temps. The 30-Day Outlook projects above-normal temps for the West with below-normal temps for the North-Central states...



This Week's Key Takeaway

Much of the country has felt the cold of Winter begin at this point. However, Natural Gas prices have dropped significantly and are hovering around \$2.70 after being at \pm \$3.00 for many months. That is not to say that the current price will remain. As we move further into Winter, a cold-snap in the Northeast could send prices right back up beyond \$3.00. Wholesale electric prices have remained extremely low in the South while the Mass Hub reports \$.075/kWh in the real-time wholesale market.

Next Day On-Peak Power (traded for 12/14/2017)

ISO-NE Mass Hub \$75.17	MISO Indiana Hub \$35.75	NYISO Zone G \$56.24
PJM West Hub \$38.66	ERCOT North \$22.00	CAISO SP15 \$47.58



Energy **CAP.**

