



## Market Commentary for April 23, 2018

### NATURAL GAS

Henry Hub

Day change: **\$0.001, virtually unchanged** | Settle \$2.740 | May 2018

Waha Basis:

Day change: **up \$0.026** | Settle: **-\$1.356** | May 2018

Low point on curve: **-\$1.751** | Mar 2019

TTF

Day change: **\$0.060, up 0.8%** | Settle \$7.178 | May 2018

- Inpex bought a cool-down cargo ahead of startup for Train 1 at the \$37 billion, 8.9 mtpa Ichthys LNG project in Australia...
- ...and an LNG carrier has moored in port at Shell's Prelude FLNG, signaling the project may be close to startup given the arrival of an apparent cool-down cargo
- Russian gas exports to Europe via Germany and Slovakia hit a record high of 412.5 mmcm (14.5 Bcf) on Sunday, up from the previous record of 412.3 mmcm set in September 2017, as exports via Ukraine increased
- The plot thickens: Subsea 7 added drama to the McDermott/CB&I merger as it offered to buy all of McDermott's stock for \$7 per share... but only if it drops CB&I

### OIL

Brent

Day change: **\$0.65, up 0.8%** | Settle: \$74.71 | June 2018

WTI

Day change: **\$0.24, up 0.4%** | Settle: \$68.64 | June 2018

- Goldman Sachs doesn't expect rising oil prices to dent fuel demand as Middle Eastern producers reinvest petrodollars abroad, stimulating economic growth...
- ...echoing Saudi Energy Minister Khalid Al-Falih, who said last week that oil above \$70/bbl hasn't hurt consumption
- More investment required: Schlumberger expects a global oil supply shortage will emerge as pipeline infrastructure constraints on U.S. shale limit production growth...
- ...and "dramatic under-investment" in global oil exploration and production leads to declining output from legacy producers in Norway, Angola, Mexico, etc.
- U.S. condensate exports have displaced Russian and Nigerian bbls from Europe as U.S. supplies to the Europe reached an all-time high of 550,000 bpd in April
- Halliburton wrote off its last remaining investment in Venezuela at \$312 million, but said it would continue to operate in the country, albeit at a reduced level
- Top U.S. shale producers are finally earning enough operating cash flows to cover capital spending on new wells, according to Wood Mackenzie...
- ...as Scott Sheffield, chairman of Pioneer, said its wells are 300% more productive than four years ago, reducing the break-even price



[Subscribe Here](#)

