

October 02, 2019

North American NGL Outlook 2020 - 2040

Stratas Advisors

In our newly launched 2020-2040 North American NGL forecasts, we forecast higher recoveries in shale fields coupled with growing processor, pipeline, fractionator, storage, petrochemical and export dock capacity that should drive marketed NGL supply to top 6.5 MMbbl/d within 10 years, up by half from 2018 levels.

But as we have seen with low or even negative prices in other energy commodities recently (especially natural gas at the Waha hub in West Texas), supply must meet demand and infrastructure needs to make the meeting happen.

We anticipate US NGL demand, including both domestic and international export consumption, will grow from a 2018 baseline actual level of 4.89 MMbbl/d to an estimated peak demand of 7.05 MMbbl/d in 2028. After that date, the demand for US NGL will likely slowly drift down as rising demands for US NGL by export markets will be offset by falling NGL demand by transportation fuel blenders in the US.

Consider our ethane forecast. Our interactive data tools show that we forecast the wave of US ethylene plant startups (under construction or with positive final investment decisions) to crest. Post 2025, we forecast flat domestic ethane feed stock demand and exports to other global ethane crackers to grow until the end of the forecast period. Ethane exports (and field gas recoveries) triple today's export levels by 2028.

