

MLP and Energy Infrastructure Monthly



February 2019



Midstream and Oil Prices Rebound

The [Alerian MLP Index](#) (AMZ) was up 11.7% on a price-return basis and 12.6% on a total-return basis in January. The [Alerian Midstream Energy Index](#) (AMNA) was up 15.3% on a price-return basis and 16.0% on a total-return basis for the month. WTI crude rose 18.5% in January as OPEC cuts took effect and Saudi Arabia further reduced exports. Oilfield Service names (OSX Index) jumped 19.3%, while E&Ps (SPSIOP Index) gained 15.1%.



Kinder Morgan and Tallgrass Energy Announce Joint Venture

[Kinder Morgan](#) (KMI) and [Tallgrass Energy](#) (TGE) are partnering to increase crude takeaway capacity out of the Rockies. The project will utilize existing assets, including TGE's Pony Express pipeline, and new pipeline. KMI will contribute portions of existing gas pipelines, which will be converted to crude service. The system will be able to deliver a total of 950,000 barrels per day of crude from Wyoming and Colorado to Cushing as early as 2H20. [Read more](#)



US Projected to Become Net Energy Exporter in 2020

The Energy Information Administration (EIA) [expects](#) the US to become a net energy exporter in 2020 as a result of continued production growth across hydrocarbons and more modest growth in US consumption. The US is becoming a meaningful energy supplier to the rest of the world as exports increase. Growing production and exports require additional energy infrastructure (pipelines, terminals, natural gas processing capacity). [Read more](#)



More Consolidations Completed, Entering Late Innings

Consolidations of Dominion Energy Midstream Partners, EnLink Midstream Partners, EQGP Holdings, Valero Energy Partners, and CVR Refining were completed in January. As the recent wave of MLP consolidations concludes, the related uncertainty and distraction of structure questions should be alleviated, allowing focus to turn to fundamentals. [Read more](#)



Enterprise Announces New Buyback Program

[Enterprise Products Partners](#) (EPD) [announced](#) a \$2 billion, multi-year unit buyback program coinciding with its 4Q18 earnings release. Management cited buybacks as an opportunistic way to return capital to investors. MLP buybacks were one of the potential catalysts discussed in our [2019 Outlook Video](#).



Alerian Index Series Updates

January saw multiple special rebalancings for the Alerian Index Series. Dominion Energy Midstream Partners, EQGP Holdings, and Valero Energy Partners were removed from the Alerian Index Series. Additionally, EnLink Midstream Partners was removed from the Alerian Index Series, while [EnLink Midstream LLC](#) (ENLC) was added. [Alerian press releases](#)