

# MLP and Energy Infrastructure Monthly



July 2018



## Updated INGAA Study Highlights Continued Infrastructure Need

The Interstate Natural Gas Association of America (INGAA) released its [latest study](#) on estimated energy infrastructure investment required in the US and Canada through 2035. Based on the study, over \$500 billion in midstream investments will be required through 2035, mainly for pipelines, gathering and processing infrastructure, and export terminals. [Read More](#)



## OPEC Meeting Makes Waves

In its June 22nd meeting, OPEC and its partners [decided](#) to restore production to conform with the previously targeted cut of 1.2 MMBpd. Production declines had led to over compliance with the cut (152% in May). The planned increase to supply was met with a bullish price reaction, as Brent and WTI oil prices gained more than 3% on the day.



## Debt Markets Remain Open

Energy infrastructure companies completed several large debt offerings in June.

- ONEOK (OKE) [issued](#) \$1.25B in 10-year and 30-year notes at rates between 4.6% and 5.2%.
- EQT Midstream Partners (EQT) [issued](#) \$2.5B in 10-year and 30-year notes at rates between 4.8% and 6.5%.
- Energy Transfer Partners (ETP) [issued](#) \$3.0B in 5-year, 10-year, and 30-year notes at rates between 4.2% and 6.0%.



## Plenty of Permian Pipeline Action

June saw several Permian pipeline announcements, including [Plains](#) (PAA) and Exxon (XOM) joining to pursue a [crude pipeline](#) and [Kinder Morgan](#) (KMI) partnering with EagleClaw Midstream and Apache Corp. (APA) for a [natural gas pipeline](#). Additionally, [EnLink](#) (ENLK) announced plans for a [new crude gathering system](#) in the Delaware Basin, while [ONEOK](#) (OKE) announced expansions to its [natural gas pipelines](#) in the Permian.



## Alerian Index Series Updates

We've been busy! The Alerian Index Series saw both a quarterly rebalancing and a special rebalancing in June. Additionally, new indices were launched and upcoming methodology changes were announced.

- [Quarterly Rebalancing](#)
- [Special Rebalancing](#)
- [New Indices Launch and Changes](#)



## MLPs Underperform Oil

The Alerian MLP Index (AMZ) fell 1.5% in June on both a price return and total return basis, underperforming WTI crude which rose over 10%. The AMZ yield at the end of June was 8.0%. [See Performance](#)