

Energy Market Report

Report Date: April 24, 2020 Report Week: April 15, 2020 to April 22 2020

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Newstracker:

-Natural gas spot prices rose at most locations for the period of Wednesday, April 15 to Wednesday, April 22 (the Report Week). The Henry Hub spot price rose from \$1.64 per million British thermal units (MMBtu) to \$1.87/MMBtu from start to finish of the Report Week.

-At the New York Mercantile Exchange (Nymex), the price of the May 2020 natural gas futures contract increased 34¢, from \$1.598/MMBtu to \$1.939/MMBtu from open to close of the Report Week. The price of the 12month strip averaging May 2020 through April 2021 futures contracts climbed 25¢/MMBtu to \$2.549/MMBtu.

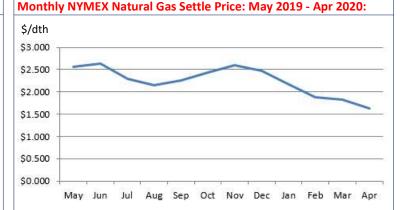
-Net natural gas injections into storage totaled 43 Bcf for the week ending April 17, compared with the five-year (201519) average net injections of 49 Bcf and last year's net injections of 92 Bcf during the same week. Working natural gas stocks total 2,140 Bcf, which is 364 Bcf (20%) more than the fiveyear average and 827 Bcf (63%) more than last year at this time.

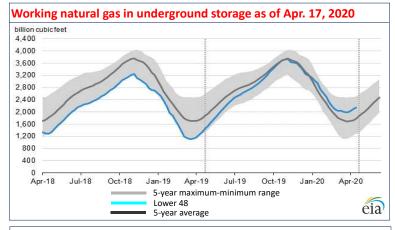
 Total U.S. consumption of natural gas fell by 3% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation declined by 6% week over week. Industrial sector consumption decreased by 3% week over week. In the residential and commercial sectors, consumption remained at last week's level, averaging 22.1 Bcf/d. Natural gas exports to Mexico increased 3%.

-US LNG exports decreased with thirteen LNG vessels with a combined LNGcarrying capacity of 48 Bcf departing the US between April 16 and April 22, 2020, according to shipping data provided by MarineTraffic.com.

-The natural gas plant liquids (NGPL) composite price at Mont Belvieu, Texas, rose by 20¢/MMBtu, averaging \$3.02/MMBtu for the week ending April 22. The prices of natural gasoline, butane, and isobutane fell by 1%, 3%, and 6%, respectively. The price of propane rose by 8%. The ethane price rose by 21% last week over concerns around declining crude oil production, declining associated NGPL production in west Texas, and access to ethane feedstock for Gulf Coast petrochemical producers.

-According to Baker Hughes, for the week ending Tuesday, April 14, the natural gas rig count decreased by 7 to 89, the lowest level since September 2016. The number of oil-directed rigs fell by 66 to 438. The total rig count decreased by 73, and it now stands at 529.

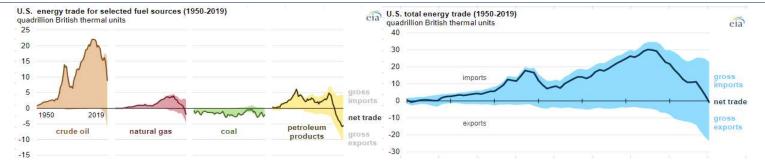




Forward 12-month NYMEX natural gas strip price - May20-Apr21:

Process Load-weighted 2.549/dth - w/o/w =Typical Heat Load-weighted 2.778/dth - w/o/w =

US total energy exports exceed imports in 2019 for the first time in 67 years:



US energy exports reached an all-time high of 23.6 quadrillion British thermal units (quads) in 2019, marking the first time in 67 years that annual US gross energy exports exceeded US gross energy imports. US crude oil net imports, by energy content, decreased 31% from 2018 to 2019. Gross exports of petroleum products are the largest category of US energy exports, but in 2019, gross exports of US petroleum products decreased from a record high in 2018. The US has been a net exporter of petroleum products in each year since 2011. Gross exports of US natural gas reached a record of 4.7 quads (nearly 12.8 billion cubic feet per day), up 29% from 2018, continuing a five-year trend of annual increases. Gross US exports of coal decreased by 20% from 2018 to 2019, and gross coal imports increased by 12%. The US has been a net exporter of coal since at least 1949.

> "If I knew for a certainty that a man was coming to my house with the conscious design of doing me good, I should run for my life." -Henry David Thoureau¹

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¹https://www.brainyquote.com/quotes/henry_david_thoreau_163106?src=t_funny