

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, February 22, to Wednesday, March 1 (the Report Week), during which the Henry Hub spot price rose 51 cents to \$2.59/MMBtu.

-The March 2023 NYMEX contract expired Friday, February 24 at \$2.451/MMBtu, up 28 cents from last Report Week. The April NYMEX contract price increased 51 cents to \$2.811/MMBtu for the Report Week. The price of the 12-month strip averaging April 2023 through March 2024 futures contracts climbed 42 cents to \$3.527/MMBtu. International natural gas futures prices decreased this Report Week, with LNG cargoes in East Asia decreasing 58 cents to a weekly average of \$14.76/MMBtu and prices at TTF in the Netherlands decreasing 54 cents to a weekly average of \$15.10/MMBtu.

-Net withdrawals from storage totaled 81 Bcf for the week ending February 24, compared with the five-year average net withdrawals of 134 Bcf and last year's net withdrawals of 137 Bcf during the same week. Working natural gas stocks totaled 2,114 Bcf, which is 342 Bcf (19%) more than the five-year average and 451 Bcf (27%) more than last year at this time.

-Total US natural gas consumption rose by 3.7% (3.2 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation climbed by 5.5% (1.6 Bcf/d) week over week. Industrial sector consumption remained unchanged, averaging 24.1 Bcf/d, while residential and commercial sector consumption increased by 4.7% (1.6 Bcf/d). Natural gas exports to Mexico increased 2.1% (0.1 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 12.7 Bcf/d, or 0.4 Bcf/d lower than last week.

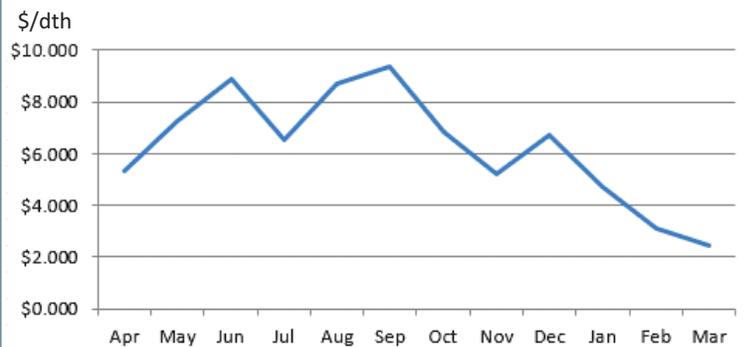
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 11 cents/MMBtu, averaging \$8.16/MMBtu for the week ending March 1.

-Brent crude oil prices rose 1%, while propane prices rose 3%, resulting in a 2% decrease in the propane discount relative to crude oil.

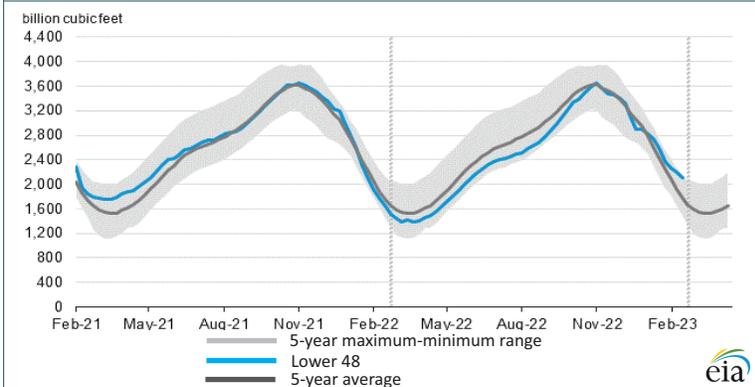
-For the week ending Tuesday, February 21, the natural gas rig count remained unchanged from a week ago at 151 rigs. The number of oil-directed rigs decreased by 7 from a week ago to 600 rigs. The total rig count, which includes 2 miscellaneous rigs, stands at 753, 103 more rigs than last year at this time.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Apr 2022 - Mar 2023:



Working natural gas in underground storage as of Feb. 24, 2023



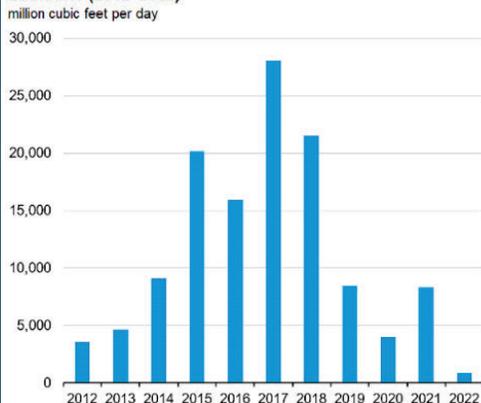
Forward 12-month NYMEX natural gas strip price - Apr23-Mar24:

Process Load-weighted \$3.527/dth - w/o/w = ▲ \$0.416
 Typical Heat Load-weighted \$3.778/dth - w/o/w = ▲ \$0.377

Natural gas pipeline capacity additions between states are the lowest since 1995:

In 2022, 897 MMcf/d of interstate natural gas pipeline capacity was added collectively from five projects. The interstate natural gas pipeline capacity added in 2022 is the lowest since 1995, the earliest year for which data are available. Interstate capacity additions were low in 2022 because of growing anti-natural

Annual interstate natural gas pipeline capacity additions (2012-2022)



gas politics, a greater focus on intrastate capacity (which does not cross state borders) and lower overall capital expenditures by oil and natural gas companies. Projects that reconfigure pipeline flows to accommodate growing Appalachian natural gas production, which drove interstate pipeline capacity additions for many years, are mostly completed. Most of the natural gas production growth since about 2017 has come from the Permian and Haynesville regions. These two regions are located very close to LNG export terminals along the Gulf Coast. In Texas and Louisiana, intrastate projects have increased takeaway capacity and connected natural gas production to LNG export terminals instead of longer interstate pipeline projects that cross state lines. Building large-scale, commercial natural gas pipelines that cross state boundaries involve a number of contractual, engineering, regulatory, and financial requirements. These requirements may involve more coordination and can take longer to complete compared with intrastate pipeline projects. In 2022, five projects increased interstate capacity. However, these five projects focused primarily on upgrading compressor stations: Columbia Gulf Transmission's Louisiana XPress Project, Florida Gas Transmission's Mobile County Project, Florida Gas Transmission's Southwest Alabama Project and ANR Pipeline Company's Wisconsin Access Project. Only one of the five projects included building a relatively small amount of new pipeline: Gulfstream Natural Gas's Gulfstream Phase VI Expansion Project installed about four miles of new pipe.

“Nature does not hurry, yet everything is accomplished.” -Lao Tzu¹

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¹https://www.brainyquote.com/quotes/lao_tzu_151993