

Newstracker:

-Natural gas spot prices rose at most locations for the Report Week of Wednesday, January 9 to Wednesday, January 16. Henry Hub spot prices rose from \$2.91 per million British thermal units (MMBtu) to \$3.61/MMBtu from open to close of the Report Week.

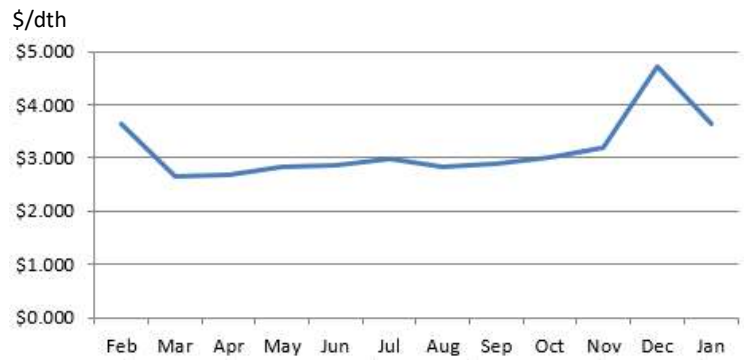
-At the Nymex, the price of the February 2019 natural gas futures contract increased 40¢, from \$2.984/MMBtu to \$3.384/MMBtu during the course of the Report Week. The price of the 12-month strip averaging February 2019 through January 2020 futures contracts climbed 12¢/MMBtu to \$2.965/MMBtu.

- Net withdrawals from storage totaled 81 Bcf for the week ending January 11, compared with the five-year (2014-18) average net withdrawals of 218 Bcf and last year's net withdrawals of 208 Bcf during the same week. Working gas stocks totaled 2,533 Bcf, which is 327 Bcf (11%) lower than the five-year average and 77 Bcf (3%) lower than last year at this time. The average rate of net withdrawals from storage is 31% lower than the five-year average so far in the withdrawal season (November through March). If the rate of withdrawals from storage matched the five-year average of 15.5 Bcf/d for the remainder of the withdrawal season, total inventories would be 1,309 Bcf on March 31, which is 327 Bcf lower than the five-year average of 1,636 Bcf for that time of year.

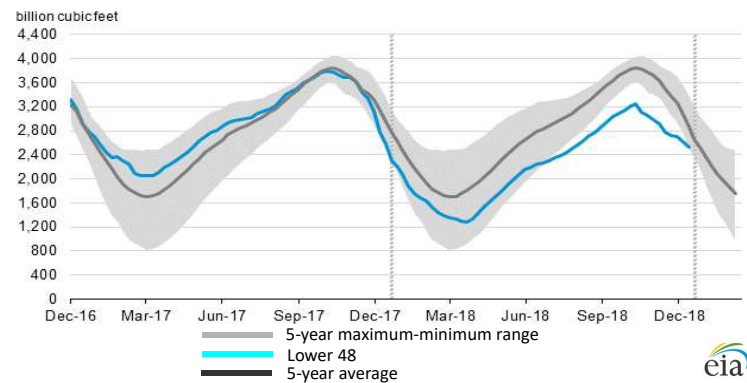
- Total U.S. consumption of natural gas rose by 18% compared with the previous report week, according to data from PointLogic Energy, averaging 97.2 Bcf/d. Natural gas consumed for power generation rose 14%. Industrial sector consumption increased 5% week over week. In the residential and commercial sectors, consumption increased 30%, averaging 46.9 Bcf/d during the report week as winter weather swept through most of the Lower 48 states. Natural gas exports to Mexico declined 1% week over week, averaging 4.7 Bcf/d for the report week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 26¢/MMBtu, averaging \$6.46/MMBtu for the week ending January 16. According to Baker Hughes, for the week ending Tuesday, January 8, the natural gas rig count increased by 4 to 202. The number of oil-directed rigs fell by 4 to 873. The total rig count remains unchanged at 1,075.

Monthly NYMEX Natural Gas Settle Price: Feb 2018 - Jan 2019:



Working natural gas in underground storage as of Jan. 11, 2019

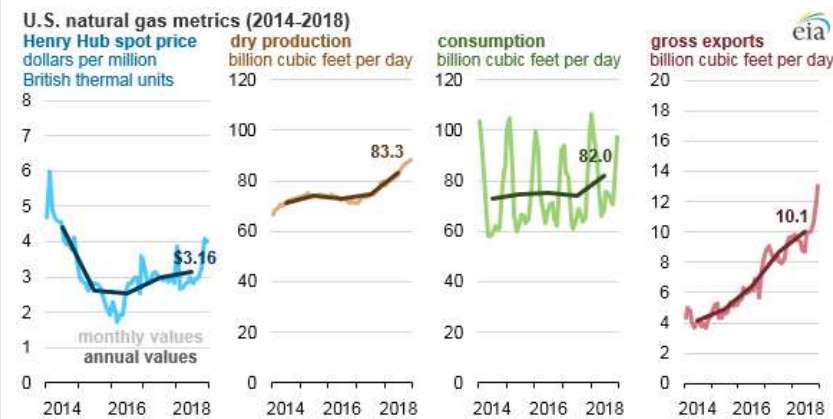


Forward 12-month NYMEX natural gas strip price - Feb9-Jan20:

Process Load-weighted \$2.965/dth - w/o/w = ▲\$0.121
 Typical Heat Load-weighted \$3.060/dth - w/o/w = ▲\$0.156

Natural gas prices, production, consumption and exports increased in 2018:

In 2018, the average annual Henry Hub natural gas spot price increased to \$3.16 per million British thermal units (MMBtu), up 15 cents from the 2017 average. Prices increased gradually through much of the year, with significant price increases during October and November, before declining at the end of December. Growing US production and low temperatures during the winter months supported increased natural gas



consumption through 2018. In addition, continued increases of US natural gas exports by pipeline to Mexico and additional liquefied natural gas (LNG) export capacity that came online during the year resulted in the US exporting more natural gas than it imported for the second year in a row. US natural gas production is forecasted to have reached record levels in 2018. Through the first ten months of 2018, dry natural gas production in the US was 11% higher in 2018 compared with the same period in 2017. Increase consumption was significantly driven by natural gas-fired plants replacing coal-fired plants in the electricity fuel mix, with consumption 17% higher than 2017 levels through the first ten months of the year.

Excerpted from 

“A person who won’t read has no advantage over one who can’t read.” -Mark Twain¹