

## Newstracker:

-Natural gas spot price movements were mixed this Report Week - Wednesday, February 6 to Wednesday, February 13, 2019. Henry Hub spot prices rose from \$2.56/MMBtu to \$2.61/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (Nymex), the price of the March 2019 natural gas futures contract decreased 9¢, from \$2.662/MMBtu to \$2.575/MMBtu from start to end of the Report Week. The price of the 12-month strip averaging March 2019 through February 2020 futures contracts declined 2¢/MMBtu to \$2.796/MMBtu.

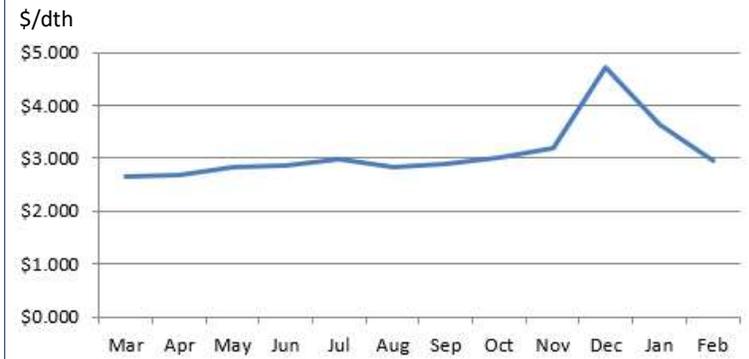
-Net natural gas withdrawals from storage totaled 78 Bcf for the week ending February 8, compared with the five-year (2014-18) average net withdrawals of 160 Bcf and last year's net withdrawals of 183 Bcf during the same week. Working gas stocks totaled 1,882 Bcf, which is 333 Bcf (15%) lower than the five-year average and 30 Bcf (2%) lower than last year at this time. The average rate of net withdrawals from storage is 18% 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 11.3 Bcf/d for the remainder of the withdrawal season, total inventories would be 1,303 Bcf on March 31, which is 333 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 6% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 11% week over week. Industrial sector consumption increased by 2% week over week. In the residential and commercial sectors, consumption increased by 4%. Natural gas exports to Mexico increased 6%.

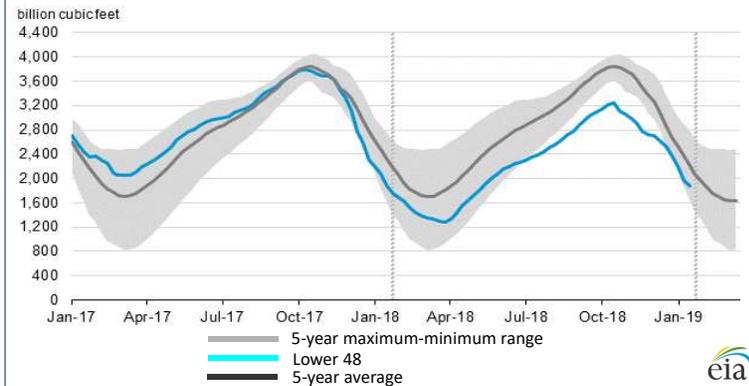
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 62¢/MMBtu, averaging \$6.24/MMBtu for the week ending February 13. The price of ethane, propane, butane, natural gasoline, and isobutane all fell, by 9%, 9%, 7%, 3%, and 1%, respectively.

-According to Baker Hughes, for the week ending Tuesday, February 5, the natural gas rig count decreased by 3 to 195. The number of oil-directed rigs rose by 7 to 854. The total rig count increased by 4, and it now stands at 1,049.

## Monthly NYMEX Natural Gas Settle Price: Mar 2018 - Feb 2019:



## Working natural gas in underground storage as of Feb. 8, 2019



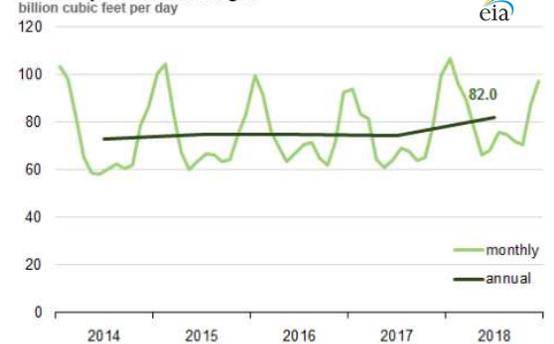
## Forward 12-month NYMEX natural gas strip price - Mar19-Feb20:

Process Load-weighted \$2.796/dth - w/o/w = ▼\$0.016  
 Typical Heat Load-weighted \$2.847/dth - w/o/w = ▼\$0.021

## Top natural gas stories of 2018 focus on record production, consumption, and exports:

Natural gas production in the United States reached record levels in 2018. Natural gas production grew consistently throughout the year, led by production increases in the Appalachian Basin, the Permian Basin, and the Haynesville shale formation. Production growth was driven by different factors depending on the region, including increased takeaway capacity, more efficient drilling, higher crude oil production, and elevated natural gas prices. Natural gas consumption in the United States reached record levels in 2018. Natural gas consumption growth was driven primarily by increases in the electric power sector, with the generation mix showing natural gas and renewables displacing coal-fired generation during the year. Natural gas consumption also increased in the industrial, residential, and commercial sectors in 2018, although residential and commercial sector consumption increases were the result of unusually cold weather in the first quarter of 2018, in particular in early January 2018. Natural gas storage stocks reached extremely low levels in 2018. Natural gas storage inventories ended the heating season on March 31 at their lowest level since 2014, and they did not refill during the summer injection season as quickly as in previous years. Low volumes of natural gas injected into storage were the result of growing levels of natural gas exports and high consumption. Natural gas storage inventories entered the winter season on November 1 at significantly lower levels than in previous years, which contributed to unusual price volatility and price increases in later months of the year. Natural gas exports reached new highs in 2018. Natural gas exports reached record levels in 2018, driven primarily by exports of liquefied natural gas (LNG), and secondarily by pipeline exports to Mexico. LNG export capacity is expected to continue growing in 2019 as new LNG export facilities enter service.

### Consumption of natural gas


 Excerpted from 

“Nothing fools you better than the lie you tell yourself.” -Teller<sup>1</sup>