

Newstracker:

-Although natural gas spot prices fell at most locations this Report Week (Wednesday, April 3 to Wednesday, April 10), Henry Hub spot prices rose from \$2.67 per million British thermal units (MMBtu) to \$2.69/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (Nymex), the price of the May 2019 natural gas futures contract increased 2¢, from \$2.677/MMBtu to \$2.700/MMBtu from start to finish of the Report Week. The price of the 12-month strip averaging May 2019 through April 2020 futures contracts climbed 3¢/MMBtu to \$2.876/MMBtu.

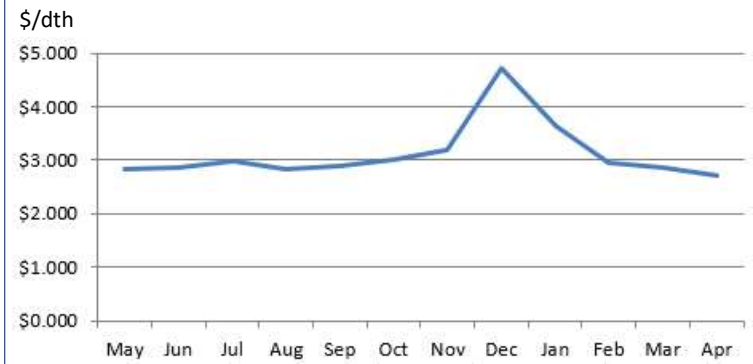
-Net injections into storage totaled 25 Bcf for the week ending April 5, compared with the five-year (2014-18) average net injections of 5 Bcf and last year's net withdrawals of 20 Bcf during the same week. Working gas stocks totaled 1,155 Bcf, which is 485 Bcf (30%) lower than the five-year average and 183 Bcf (14%) lower than last year at this time.

- Total U.S. consumption of natural gas fell by 10% compared with the previous report week, according to data from PointLogic Energy. Decreases were largest in the residential and commercial sectors, where consumption declined by 25%. Natural gas consumed for power generation climbed by 4% week over week. Industrial sector consumption decreased by 5% week over week. Natural gas exports to Mexico decreased 1%.

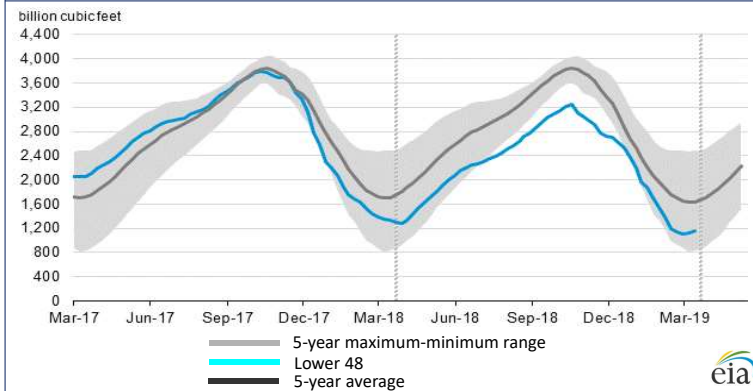
- According to data from PointLogic Energy, the average total supply of natural gas fell by 1% compared with the previous report week. Dry natural gas production decreased by 1% compared with the previous report week. Average net imports from Canada decreased by 1% from last week.

-According to Baker Hughes, for the week ending Tuesday, April 2, the natural gas rig count increased by 4 to 194. The number of oil-directed rigs rose by 15 to 831. The total rig count increased by 19, and it now stands at 1,025.

Monthly NYMEX Natural Gas Settle Price: May 2018 - Apr 2019:



Working natural gas in underground storage as of Apr. 5, 2019



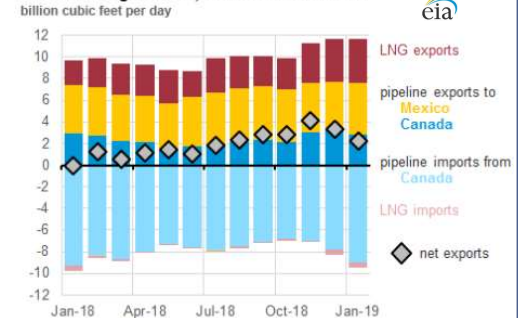
Forward 12-month NYMEX natural gas strip price - May19-Apr20:


Process Load-weighted \$2.876/dth - w/o/w = ▲\$0.030
 Typical Heat Load-weighted \$2.952/dth - w/o/w = ▲\$0.029

United States has been a net exporter of natural gas for more than 12 consecutive months:

US net natural gas exports in January 2019 totaled 2.3 billion cubic feet per day (Bcf/d), marking 12 consecutive months where US natural gas exports exceeded US imports. Preliminary data from PointLogic Energy indicate that this trend continued through February and March 2019. Exports from the US via pipeline to both Canada and Mexico, as well as US exports of liquefied natural gas (LNG), were all at or near record highs as of January 2019. US LNG exports totaled 4.1 Bcf/d in January 2019, marking the third consecutive month where a new record high was reached. The volume of US LNG exports rose steadily during 2018 as three new liquefaction units, called trains, totaling 1.9 Bcf/d capacity, entered service. LNG export volumes are expected to continue to rise in 2019 as an additional 4 Bcf/d of liquefaction capacity is brought online by the end of the year. US exports via pipeline to Canada, which had been lower in recent years, have risen since November 2018, when both the second phase of the Rover pipeline and the NEXUS pipeline entered service. These two projects bring low-cost natural gas from the Marcellus and Utica plays to the Dawn Hub in Ontario, Canada. US exports to Canada in January 2019 were 2.8 Bcf/d, down from 3.2 Bcf/d in December 2018 the highest volume observed since December 2012. US pipeline exports of natural gas to Mexico in January 2019 were 4.8 Bcf/d, a year-on-year increase of almost 0.4 Bcf/d. Much of the year-on-year growth is attributed to increased U.S. exports out of the Permian Basin in western Texas as new pipelines and natural gas-fired power plant projects within Mexico entered service. In addition, several existing pipelines in southeastern Texas completed expansions during the past 12 months, increasing cross-border capacity.

U.S. natural gas trade, Jan 2018 – Jan 2019



Excerpted from 

“The most learned are often the most narrow minded.” -William Hazlitt¹