

Newstracker:

-Natural gas spot price movements were mixed during the Report Week of Wednesday, March 27 to Wednesday, April 3. Henry Hub spot prices rose from \$2.66 per million British thermal units (MMBtu) to \$2.67/MMBtu from open to close of the Report Week.

-At the Nymex, the April 2019 natural gas futures contract expired Wednesday, March 27th at \$2.713/MMBtu. The May 2019 natural gas futures contract decreased to \$2.677/MMBtu, down 4¢/MMBtu from open to close of the Report Week. The price of the 12-month natural gas strip averaging May 2019 through April 2020 futures contracts declined 4¢/MMBtu to \$2.846/MMBtu.

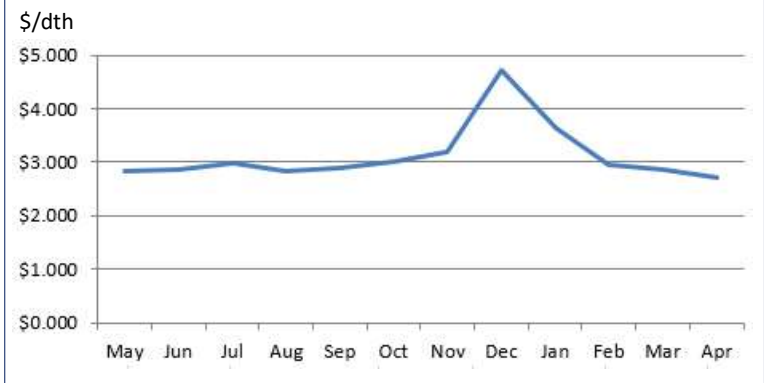
- Net natural gas injections into storage totaled 23 Bcf for the week ending March 29, compared with the five-year (2014-18) average net withdrawals of 23 Bcf and last year's net withdrawals of 34 Bcf during the same week. Working gas stocks totaled 1,130 Bcf, which is 505 Bcf (31%) lower than the five-year average and 228 Bcf (17%) lower than last year at this time.

- Total U.S. consumption of natural gas fell by 4% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 2% week over week. Industrial sector consumption decreased by 1% week over week. In the residential and commercial sectors, consumption declined by 12% as overall warmer temperatures across the country led to lower heating demand. Natural gas exports to Mexico increased 1%.

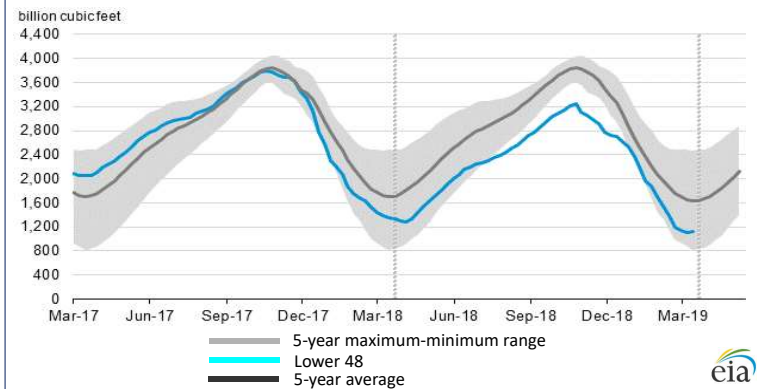
- According to data from PointLogic Energy, the average total supply of natural gas remained the same as in the previous report week, averaging 94.6 Bcf/d. Dry natural gas production remained constant week over week. Average net imports from Canada increased by 2% from last week, but were 16% lower than last year at this time.

-According to Baker Hughes, for the week ending Tuesday, March 26, the natural gas rig count decreased by 2 to 190. The number of oil-directed rigs fell by 8 to 816. The total rig count decreased by 10, and it now stands at 1,006.

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



Working natural gas in underground storage as of Mar. 29, 2019



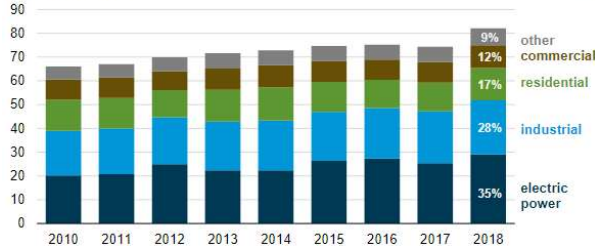
Forward 12-month NYMEX natural gas strip price - May19-Apr20:


Process Load-weighted \$2.846/dth - w/o/w = ▼\$0.035
 Typical Heat Load-weighted \$2.923/dth - w/o/w = ▼\$0.023

Power sector pushed domestic US natural gas consumption to new record in 2018:

US natural gas consumption increased by 10% in 2018, reaching a record high of 82.1 billion cubic feet per day (Bcf/d). Domestic consumption of natural gas increased across all sectors in 2018, led by a 3.8 Bcf/d increase in the electric power sector caused by a combination of recent natural gas-fired electric capacity additions and weather-related factors. The electric power sector consumed 29.1 Bcf/d in 2018, or 35% of total domestic US natural gas consumption. Natural gas continued to make up the highest share of utility-scale electricity generation after first surpassing coal-fired generation on an annual basis in 2016. Specifically, natural gas accounted for one-third (35%) of utility-scale electricity generation in 2018, followed by coal (27%), nuclear (19%), and hydropower (7%). New natural gas generator capacity additions continued to displace coal-fired power plants and other less efficient sources of electricity. In 2018, about 14.5 gigawatts (GW) of net natural gas capacity were added, while almost 13 GW of coal-fired capacity were retired. Annual fluctuations in natural gas consumption are largely driven by weather. In 2018, the US experienced several periods of extremely warm and cold weather, contributing to record-high natural gas consumption. Much of the Lower 48 states experienced prolonged periods of colder-than-normal temperatures in January 2018, and record-high average monthly temperatures during summer 2018 increased natural gas use in the electric power sector. In July 2018, natural gas consumption in the electric power sector set an all-time record of 39.9 Bcf/d, followed by the second-highest recorded level in August 2018 of 38.6 Bcf/d. Natural gas consumption also grew in the residential, commercial, and industrial sectors in 2018, increasing 13%, 10%, and 4% compared with 2017 levels, respectively. Both commercial sector (9.5 Bcf/d) and industrial sector natural gas use (22.7 Bcf/d) reached record highs in 2018, while residential natural gas use (13.6 Bcf/d) reached its highest level since 2014.

Annual U.S. natural gas consumption (2010-2018)
billion cubic feet per day



Excerpted from  EIA

“It’s easier to fool people than to convince them that they have been fooled.” -Mark Twain¹