

Newstracker:

-Natural gas spot prices fell at most locations for the Report Week of Wednesday, May 15 to Wednesday, May 22. Henry Hub spot prices remained flat at \$2.61 per million British thermal units (MMBtu).

-At the New York Mercantile Exchange (Nymex), the price of the June 2019 natural gas futures contract decreased 6¢, from \$2.601/MMBtu to \$2.543/MMBtu from start to finish of the Report Week. The price of the 12-month strip averaging June 2019 through May 2020 futures contracts declined 6¢/MMBtu to \$2.681/MMBtu.

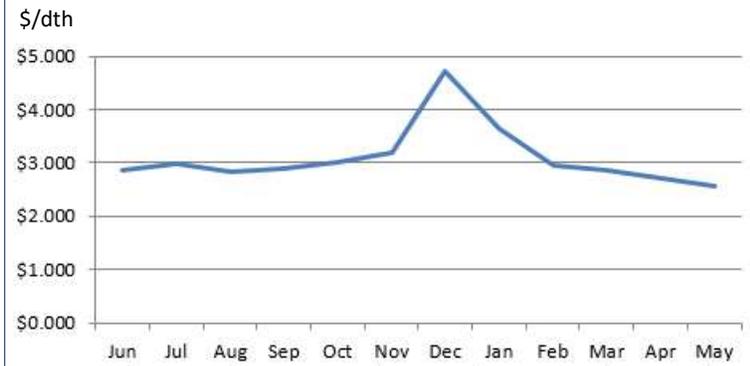
-Net natural gas injections into storage totaled 100 Bcf for the week ending May 17, compared with the five-year (2014-18) average net injections of 88 Bcf and last year's net injections of 93 Bcf during the same week. Working gas stocks totaled 1,753 Bcf, which is 274 Bcf (14%) lower than the five-year average and 137 Bcf (8%) more than last year at this time.

-Total U.S. consumption of natural gas fell by 3% compared with the previous Report Week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 7% week over week with warm temperatures and cooling demand in the Southeast. Industrial sector consumption decreased by 2% week over week. In the residential and commercial sectors, consumption declined by 17% with moderate temperatures and low demand for heating. Natural gas exports to Mexico decreased 4%.

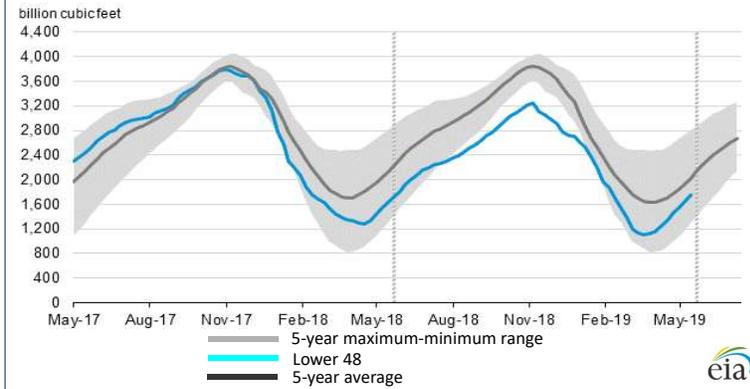
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 13¢/MMBtu, averaging \$5.61/MMBtu for the week ending May 22. The price of propane, butane, and isobutane fell by 4%, 7%, and 7%, respectively. The price of ethane rose by 3%. The price of natural gasoline remained flat week over week.

Excerpted from 

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



Working natural gas in underground storage as of May 17, 2019



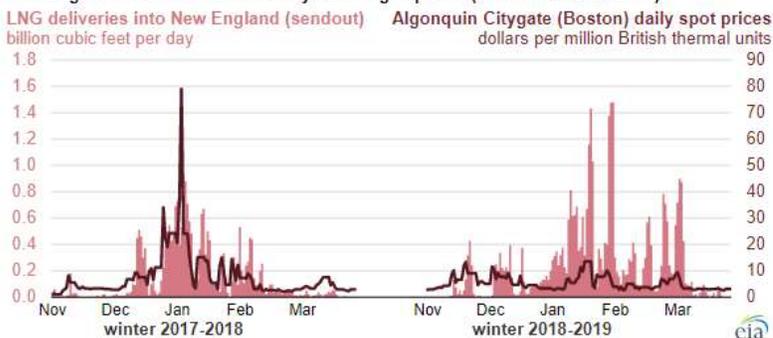
Forward 12-month NYMEX natural gas strip price - Jun19-May20:

Process Load-weighted \$2.681dth - w/o/w = ▼\$0.058
 Typical Heat Load-weighted \$2.773/dth - w/o/w = ▼\$0.053

Liquefied natural gas imports limited price spikes in New England this winter:

During winter 2018-2019, imports of liquefied natural gas (LNG) at terminals serving New England played an important role in moderating natural gas prices in the region. LNG imports are regasified at these terminals and then sent to natural gas distribution networks. These sendout volumes increased during times of high spot natural gas prices at the Algonquin Citygate, a widely referenced trading hub and benchmark for natural gas prices in New England, effectively limiting further increases in spot prices. Spot natural gas prices in New England are more volatile during winter months when cold weather contributes to rising regional natural gas demand and leads to more congestion on the natural gas pipeline network. Because New England does not have an adequate number of natural gas pipelines, nor adequate pipeline capacity, LNG imports to the region can be a key marginal source of natural gas supply during times of high natural gas demand in the winter. During the bomb cyclone event in early January 2018, spot natural gas prices at Algonquin Citygate spiked to nearly \$80 per million British thermal units (MMBtu) on January 4, 2018. During the most recent winter, daily prices at Algonquin Citygate remained lower than \$14/MMBtu and averaged about \$7/MMBtu in January and February. Increased LNG imports were not the only factor that contributed to moderating spot natural gas prices in New England during winter 2018-2019. Cold weather events last winter were more episodic compared with the sustained cold weather in the polar vortex event in January 2014 and the bomb cyclone event of January 2018.

New England LNG sendout and daily natural gas prices (Nov 2018-March 2019)



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“The only man who ever makes a mistake is the man who never does anything.” -Theodore Roosevelt¹