

Newstracker:

-Natural gas spot prices fell at most locations for the Report Week of Wednesday, May 29, to Wednesday, June 5. For the Report Week, Henry Hub spot prices fell from \$2.63 per million British thermal units (MMBtu) to \$2.39/MMBtu.


-At the New York Mercantile Exchange (Nymex), the June 2019 natural gas futures contract expired Wednesday, May 29 at \$2.633/MMBtu. The July 2019 contract decreased to \$2.378/MMBtu, down 25¢/MMBtu for the Report Week. The price of the 12-month strip averaging July 2019 through June 2020 futures contracts declined 13¢/MMBtu to \$2.552/MMBtu.

-Net natural gas injections into storage totaled 119 Bcf for the week ending May 31, compared with the five-year (2014-18) average net injections of 102 Bcf and last year's net injections of 93 Bcf during the same week. Working gas stocks totaled 1,986 Bcf, which is 240 Bcf (11%) lower than the five-year average and 182 Bcf (10%) more than last year at this time. The average rate of net injections into storage is 44% higher than the five-year average so far in the refill season (April through October). If the rate of injections into storage matched the five-year average of 9.6 Bcf/d for the remainder of the refill season, total inventories would be 3,452 Bcf on October 31, which is 240 Bcf lower than the five-year average of 3,692 Bcf for that time of year.

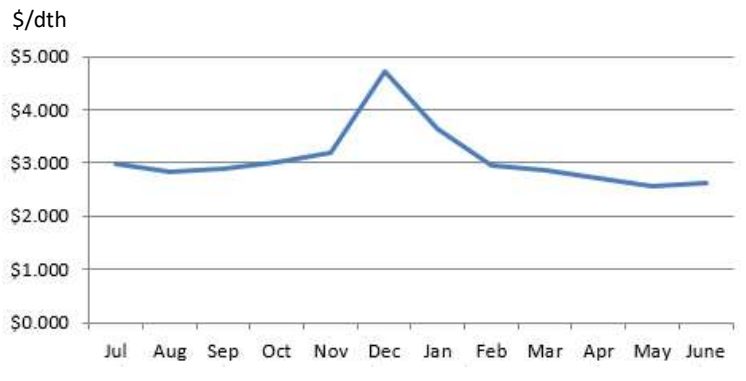
-Total U.S. consumption of natural gas rose by 4% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 10% week over week. Industrial sector consumption increased by 2% week over week. In the residential and commercial sectors, consumption declined by 11%. Natural gas exports to Mexico increased by 1%.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 54¢/MMBtu, averaging \$4.81/MMBtu for the week ending June 5. The price of butane, natural gasoline, isobutane, propane, and ethane all fell, by 14%, 12%, 11%, 9%, and 8%, respectively.

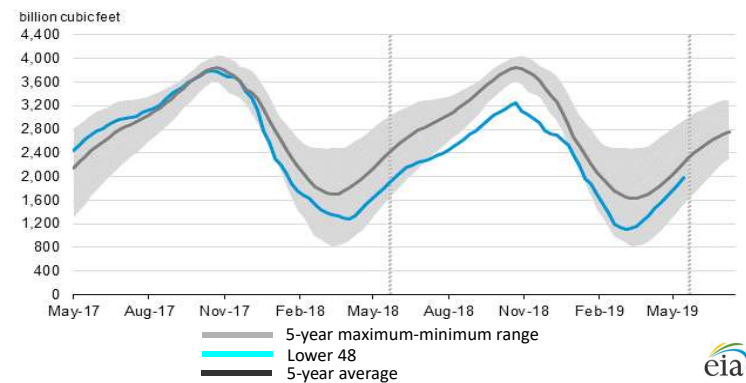
-According to Baker Hughes, for the week ending Tuesday, May 28, the natural gas rig count decreased by 2 to 184. The number of oil-directed rigs rose by 3 to 800. The total rig count increased by 1, and it now stands at 984.

Excerpted from 

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



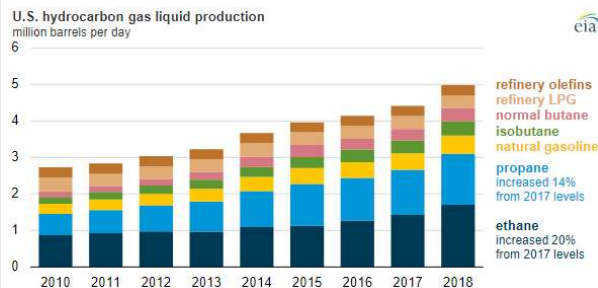
Working natural gas in underground storage as of May 31, 2019




Forward 12-month NYMEX natural gas strip price - Jul19-Jun20:

Process Load-weighted \$2.552dth - w/o/w = ▼\$0.131
 Typical Heat Load-weighted \$2.649/dth - w/o/w = ▼\$0.125

US hydrocarbon gas liquids production reaches 5 million barrels per day in 2018:



U.S. production of hydrocarbon gas liquids (HGLs) reached 5 million barrels per day (b/d) in 2018, an increase of more than 0.5 million b/d (13%) over 2017 levels. HGLs accounted for over a quarter of total U.S. petroleum products output in 2018. The increase in HGL production since 2010 is largely a result of growing domestic natural gas production. In 2018, U.S. natural gas production, measured as gross withdrawals, averaged 101.3 billion cubic feet per day (Bcf/d), a 38% increase over 2010 levels and the highest volume on record. As natural gas production has grown, an increasing share of HGLs are produced at natural gas processing plants, from about 75% in 2010 to nearly 90% in 2018. HGLs produced at natural gas processing plants are called natural gas plant liquids (NGPL), which include ethane, propane, normal butane, isobutane, and natural gasoline. A smaller share of HGLs are produced at petroleum refineries, which include refinery olefins and refinery liquefied petroleum gases (LPG). HGL production has been relatively flat at petroleum refineries since 2010, averaging about 630,000 b/d. Ethane and propane account for two-thirds of HGL production. Ethane production reached 1.71 million b/d in 2018, a 20% increase over 2017 levels. Ethane, the lightest NGPL, can (within some limits) be left in the processed natural gas stream at natural gas processing facilities or it can be recovered from natural gas if ethane's value is sufficient to cover the additional costs to produce and distribute the ethane to markets. Propane production grew from 1.54 million b/d in 2017 to 1.70 million b/d in 2018, a 10% increase. Changes in domestic demand for propane, which is used in the residential and commercial sectors as a heating and cooking fuel and in the industrial sector as a petrochemical feedstock, are mostly driven by weather and consumption. U.S. production of butanes, natural gasoline, and refinery olefins also increased in 2018.

Excerpted from 

"A doctor can bury his mistakes but an architect can only advise his clients to plant vines." -Frank Lloyd Wright¹