

## Newstracker:

-Natural gas spot prices fell at most locations for the Report Week of Wednesday, July 10 to Wednesday, July 17. Henry Hub spot prices fell from \$2.46 per million British thermal units (MMBtu) to \$2.38/MMBtu from start to finish of the Report Week.

-At the New York Mercantile Exchange (Nymex), the price of the August 2019 natural gas futures contract decreased 14¢, from \$2.444/MMBtu to \$2.304/MMBtu from open to close of the Report Week. The price of the 12-month strip averaging August 2019 through July 2020 futures contracts declined 11¢/MMBtu to \$2.463/MMBtu.


-Net natural gas injections into storage totaled 62 Bcf for the week ending July 12, compared with the five-year (2014-18) average net injections of 63 Bcf and last year's net injections of 46 Bcf during the same week. Working gas stocks totaled 2,533 Bcf, which is 143 Bcf (5%) lower than the five-year average and 291 Bcf (13%) more than last year at this time.

- Total U.S. consumption of natural gas rose by 2% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 6% week over week. Consumption reached an all-time high of 43.8 Bcf/d yesterday with the onset of a heat wave, which will likely continue to drive up demand in the coming report week.

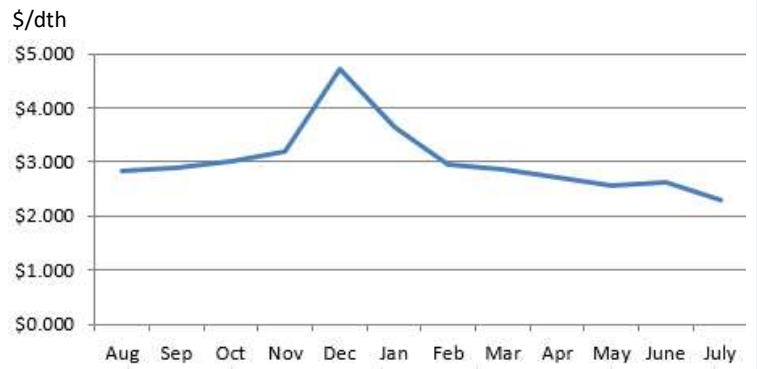
Industrial sector consumption decreased by 4% week over week, likely because of a disruption caused by Hurricane Barry in the Gulf region, where much of the country's industrial facilities are located. In the residential and commercial sectors, consumption increased by 3%. Natural gas exports to Mexico increased 3%.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 19¢/MMBtu, averaging \$4.71/MMBtu for the week ending July 17. The price of ethane, propane, and isobutane rose by 14%, 4%, and 2%, respectively. The price of natural gasoline and butane remained flat week over week.

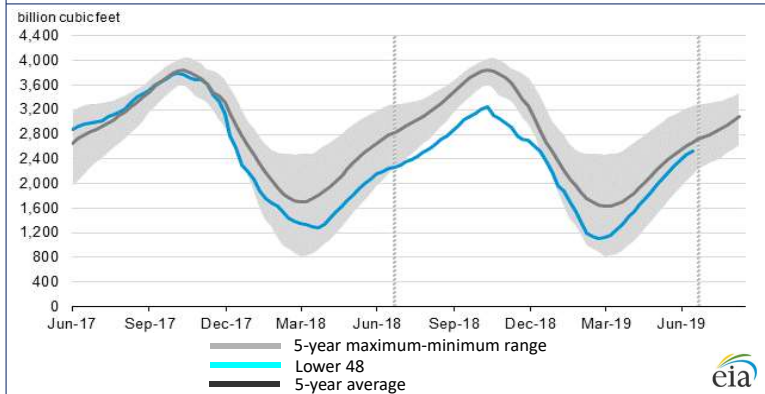
-According to Baker Hughes, for the week ending Tuesday, July 9, the natural gas rig count decreased by 2 to 172. The number of oil-directed rigs fell by 4 to 784. The total rig count decreased by 5, and it now stands at 958.

Excerpted from 

## Monthly NYMEX Natural Gas Settle Price: Aug 2018 - Jul 2019:



## Working natural gas in underground storage as of July 12, 2019

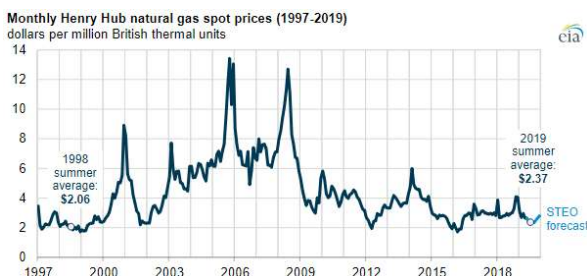



## Forward 12-month NYMEX natural gas strip price - Aug19-Jul20:

Process Load-weighted \$2.463dth - w/o/w = ▼\$0.112  
 Typical Heat Load-weighted \$2.544/dth - w/o/w = ▼\$0.117

## US summer natural gas prices on track to be the lowest in more than 20 years:

The US Energy Information Administration (EIA) forecasts Henry Hub natural gas spot prices for June, July, and August this year will average \$2.37 per million British thermal units (MMBtu). If realized, this price would be the lowest summer average Henry Hub natural gas price since 1998. EIA expects Henry Hub natural gas prices will be 55 cents/MMBtu, about 19%, lower than last summer's average. Spot prices at key trading hubs across the country have traded close to the Henry Hub basis. Prices at the Transcontinental Pipeline Zone 6 trading point for New York City and the Chicago Citygate were both at \$2.12/MMBtu, the lowest June average price and a decrease of 25% and 23%, respectively, from June 2018. The PG&E Citygate near San Francisco had the highest June average price at \$2.59/MMBtu, a 14% decrease from last June. The recent natural gas price declines reflect relatively mild weather for the start of summer that led to lower than expected natural gas-fired electricity generation, which allowed natural gas inventory injections to outpace the previous five-year average rate. Between April and June, cumulative net injections into underground storage fields have exceeded the five-year average by 41%, reducing the current five-year average deficit by more than 300 billion cubic feet (Bcf). In addition to the recent price declines, the lower price forecast reflects EIA's updated assessment of U.S. drilling activity and average well productivity, both of which are higher than previously assumed. However, if summer temperatures are warmer than expected, electricity consumption, natural gas-fired electricity generation, and, ultimately, natural gas prices could be higher than forecast. EIA expects that as supply growth begins to moderate in late 2019 and in 2020, natural gas prices will likely increase. EIA forecasts that Henry Hub natural gas spot prices will average \$2.50/MMBtu in the second half of 2019 and \$2.77/MMBtu in 2020.



Excerpted from 

“Most of our new jobs won’t come from our biggest employers. They will come from our smallest. We’ve got to do everything we can to make entrepreneurial dreams a reality.” -Ross Perot<sup>1</sup>

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<sup>1</sup>[https://www.brainyquote.com/quotes/ross\\_perot\\_173438](https://www.brainyquote.com/quotes/ross_perot_173438)