

Newstracker:

-Natural gas spot price movements were mixed for the Report Week of Wednesday, August 7 to Wednesday, August 14. Henry Hub spot prices rose from \$2.12 per million British thermal units (MMBtu) to \$2.15/MMBtu from start to finish of the Report Week.


-At the New York Mercantile Exchange (Nymex), the price of the September 2019 natural gas futures contract increased 6¢, from \$2.083/MMBtu to \$2.143/MMBtu from open to close of the Report Week. The price of the 12-month strip averaging September 2019 through August 2020 futures contracts rose 2¢/MMBtu to \$2.323/MMBtu.

- Net injections into storage totaled 49 Bcf for the week ending August 9, compared with the five-year (2014-18) average net injections of 49 Bcf and last year's net injections of 35 Bcf during the same week. Working gas stocks totaled 2,738 Bcf, which is 111 Bcf (4%) lower than the five-year average and 357 Bcf (15%) more than last year at this time.

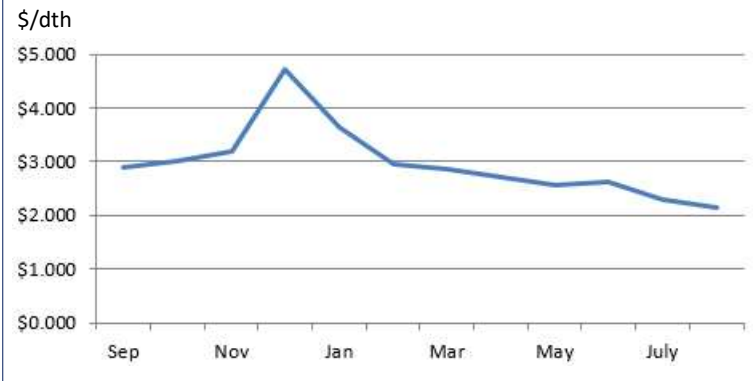
- Total U.S. consumption of natural gas was unchanged from the previous report week, averaging 71.0 Bcf/d according to data from PointLogic Energy. Natural gas consumed for power generation was flat, averaging 41.4 Bcf/d. Industrial sector consumption decreased by 1% week over week. In the residential and commercial sectors, consumption increased by 4%. Natural gas exports to Mexico increased 2%.

- Amid warmer-than-normal regional temperatures, the Electric Reliability Council of Texas (ERCOT) the electric grid operator serving most of Texas reported a record 74,531 megawatts in electricity demand on August 12th. As a result, ERCOT asked customers to conserve power during periods of peak demand (from 3:00 p.m. to 7:00 p.m. on August 13th) because Texas primarily uses electricity for cooling. Spot power prices on August 14th tripled to \$9,000 per megawatt hour.

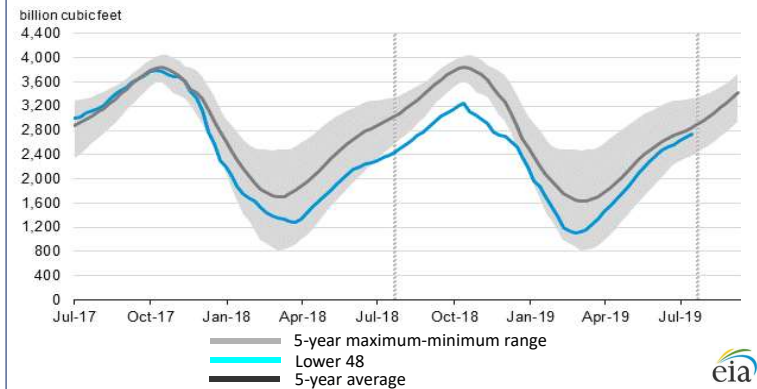
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 6¢/MMBtu, averaging \$4.33/MMBtu for the week ending August 14. The price of propane, butane, isobutane, and natural gasoline fell by 6%, 4%, 4%, and 2%, respectively. The price of ethane rose by 14%.

-According to Baker Hughes, for the week ending Tuesday, August 6, the natural gas rig count decreased by 2 to 169. The number of oil-directed rigs fell by 6 to 764. Total rig count decreased by 8, to 934. Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Sep 2018 - Aug 2019:



Working natural gas in underground storage as of August 9, 2019



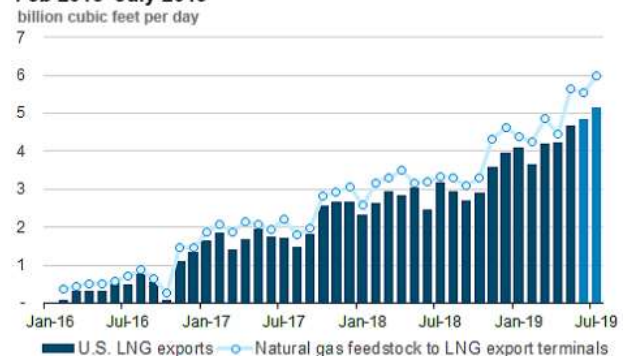
Forward 12-month NYMEX natural gas strip price - Sep19-Aug20:


Process Load-weighted \$2.323/dth - w/o/w = ▲\$0.019
 Typical Heat Load-weighted \$2.382/dth - w/o/w = ▲\$0.023

Natural gas deliveries to US LNG export facilities set a record in July:

Natural gas deliveries to US facilities producing liquefied natural gas (LNG) for export set a monthly record in July 2019, averaging 6.0 billion cubic feet per day (Bcf/d) 7% of the total US dry natural gas production according to data by OPIS PointLogic Energy. Natural gas demand by US LNG export facilities has been the fastest-growing among all natural gas demand sectors, increasing by 1.4 Bcf/d between December 2018 and July 2019, and is poised to continue to grow as new LNG facilities come online in 2019/20. In comparison, US natural gas exports by pipeline to Mexico increased by 0.2 Bcf/d between 2018 (annual average) and January/July 2019 average as connecting domestic pipelines in Mexico continue to experience delays. Combined, natural gas demand for LNG exports and pipeline exports to Mexico reached 10.9 Bcf/d in July, 12% of the total US dry natural gas production. In the first half of this year, two new liquefaction trains came online Cameron LNG Train 1 in May and Corpus Christi LNG Train 2 in June. Two new LNG export facilities Elba Island LNG in Georgia and Freeport LNG in Texas are expected to place their first trains in service in the next two months. The US Energy Information Administration estimates that US LNG exports set new records in June and July 2019 at 4.8 Bcf/d and 5.2 Bcf/d, respectively. Natural gas feedstock deliveries to LNG export terminals averaged 5.5 Bcf/d in June and 6.0 Bcf/d in July, implying a 14% and a 15%, respectively, loss on conversion of gaseous natural gas into liquefied natural gas (i.e., 14% and 15% of natural gas feedstock was used as fuel in the liquefaction process).

Monthly U.S. natural gas feedstock and LNG exports, Feb 2016–July 2019



Excerpted from 

“The strong man is the one who is able to intercept at will the communication between the senses and the mind.” -Napoleon Bonaparte¹