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Energy Market Report

Report Date: September 20, 2019
Report Week: September 11, 2019 to September 18, 2019

Questions?
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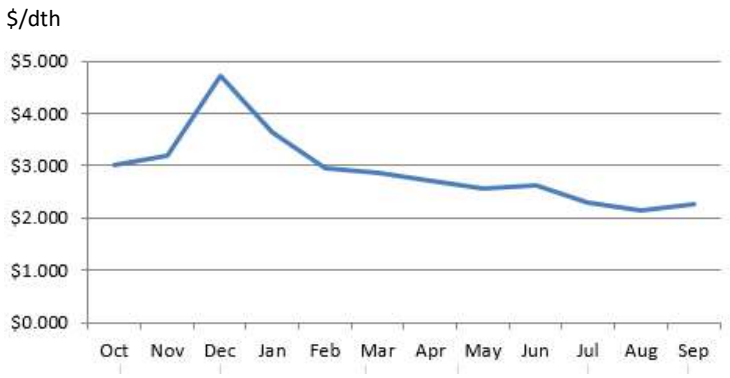
Newstracker:

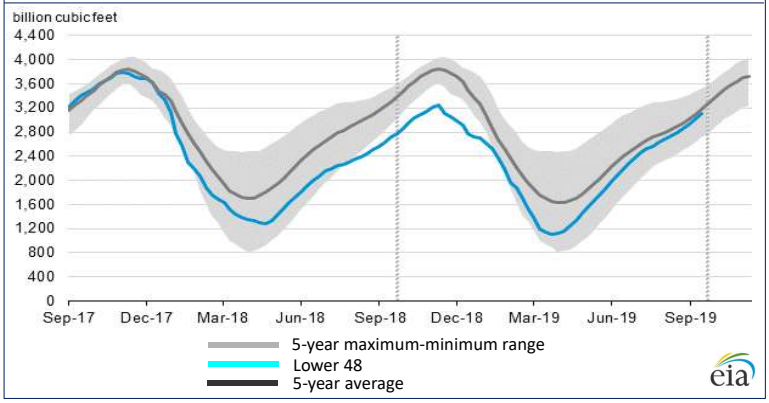
-Natural gas spot prices fell at most locations for the Report Week of Wednesday, September 11 to Wednesday, September 18. Henry Hub spot prices rose from $2.59 per million British thermal units (MMBtu) $2.68/MMBtu from open to close of the Report Week.
-At the New York Mercantile Exchange (Nymex), the price of the October 2019 natural gas futures contract increased 9¢, from $2.552/MMBtu to $2.637/MMBtu during the course of the Report Week. The price of the 12-month strip averaging October 2019 through September 2020 futures contracts increased by 3¢/MMBtu to $2.587/MMBtu.
-Net natural gas injections into storage totaled 84 Bcf for the week ending September 13, compared with the five-year (201418) average net injections of 82 Bcf and last year's net injections of 84 Bcf during the same week. Working gas stocks totaled 3,103 Bcf, which is 75 Bcf (2%) lower than the five-year average and 393 Bcf (15%) more than last year at this time. The average rate of net injections into storage is 28% 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 10.7 Bcf/d for the remainder of the refill season, total inventories would be 3,617 Bcf on October 31, which is 75 Bcf lower than the five-year average of 3,692 Bcf for that time of year.
-Total U.S. consumption of natural gas fell by 4% compared with the previous Report Week with cooler temperatures across most of the country, according to data from IHS Markit. Natural gas consumed for power generation declined by 5% week over week. Industrial sector consumption decreased by 1% week over week. In the residential and commercial sectors, consumption declined by 1%. Natural gas exports to Mexico decreased 1%.
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 13¢/MMBtu, averaging $4.99/MMBtu for the week ending September 18. The price of ethane fell by 1%. The price of natural gasoline, propane, butane, and isobutane rose by 4%, 3%, 3%, and 6%, respectively.
-According to Baker Hughes, for the week ending Tuesday, September 10, the natural gas rig count decreased by 7 to 153. The number of oil-directed rigs fell by 5 to 733. The total rig count decreased by 12,
And it now stands at 886.

Excerpted from eia

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



Working natural gas in underground storage as of Sep. 13, 2019



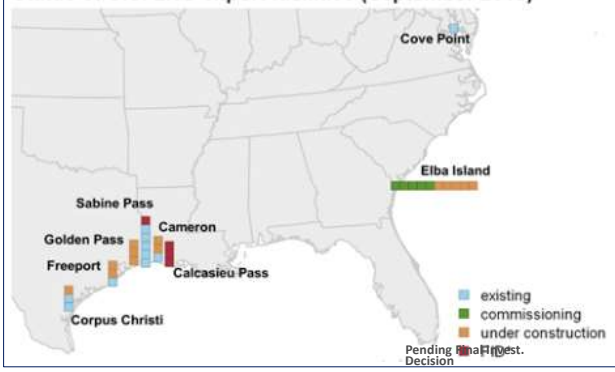
Forward 12-month NYMEX natural gas strip price - Oct19-Sep20:

Process Load-weighted $2.587/dth - w/o/w = ▲$0.026
Typical Heat Load-weighted $2.699/dth - w/o/w = ▲$0.041

Freeport LNG becomes the fifth export terminal in Lower 48 states to begin operations:

On September 3, 2019, Freeport LNG Development L.P. announced the first shipment of liquefied natural gas (LNG) produced from the newly commissioned Train 1 of the three-train Freeport LNG facility. Freeport LNG became the fifth U.S. LNG export terminal in the Lower 48 states to be placed in service since 2016. Freeport LNG consists of three liquefaction units (called trains) with a combined capacity of 1.98 billion cubic feet per day (Bcf/d) baseload (2.14 Bcf/d peak capacity). Construction of Trains 1 and 2 started in 2014, and construction of Train 3 in 2015. After a series of construction delays, Train 1 achieved its first LNG production on August 19. The second and third trains are expected to be placed in service in January 2020 and May 2020, respectively. The fourth liquefaction train (capacity 0.7 Bcf/d) has been fully approved but has not yet reached a final investment decision. Freeport LNG is the only liquefaction facility in the United States and one of only two LNG export facilities in the world that uses exclusively electric motors instead of natural gas turbines to drive the liquefaction compressors. The electric motors help the facility comply with the strict local emission standards around the Houston area. Freeport LNG requires 690 megawatts (MW) of electric power supply to operate three liquefaction trains. Currently, with Freeport Train 1 in operation, total U.S. LNG export nameplate capacity stands at 6.1 Bcf/d baseload (6.9 Bcf/d peak) across five LNG export terminals and 10 liquefaction trains. By 2021, U.S. LNG export capacity is expected to reach 9.5 Bcf/d baseload (10.8 Bcf/d peak) across six LNG export facilities and 25 liquefaction trains.

Status of U.S. LNG export facilities (September 2019)



Excerpted from eia

"Your high points and your low points. High points don't last that long, it's a high and it happens. It's great at the moment but you really can't live on it." -Ric Ocasek[1]

[1]https://www.brainyquote.com/quotes/ric_ocasek_205538