

Newstracker:

-Natural gas spot prices fell at most locations from Wednesday, September 18 to Wednesday, September 25 (the Report Week). Henry Hub spot prices fell from \$2.68/MMBtu to \$2.51/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 decreased 14¢ from \$2.637/MMBtu to \$2.502/MMBtu over the course of the Report Week. The price of the 12-month strip averaging October 2019 through September 2020 futures contracts declined 8¢/MMBtu to \$2.505/MMBtu.

-Net natural gas injections into storage totaled 102 Bcf for the week ending September 20, compared with the five-year (2014-18) average net injections of 74 Bcf and last year's net injections of 51 Bcf during the same week. Working gas stocks totaled 3,205 Bcf, which is 47 Bcf (1%) lower than the five-year average and 444 Bcf (16%) 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 IHS Markit. Natural gas consumed for power generation declined by 6% week over week. Industrial sector consumption stayed constant, averaging 21.1 Bcf/d. In the residential and commercial sectors, consumption increased by 7%. Natural gas exports to Mexico increased 6%.

-Kinder Morgan announced that its 2 Bcf/d Gulf Coast Express pipeline entered service on Wednesday. The pipeline will help alleviate takeaway constraints by transporting natural gas from the Permian Basin to demand centers on the Texas Gulf Coast.

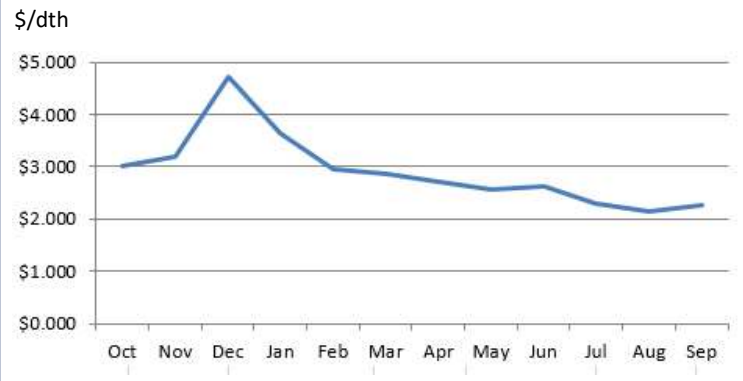
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 6¢/MMBtu, averaging \$5.05/MMBtu for the week ending September 25. The price of ethane fell by 9%. The price of natural gasoline, propane, butane, and isobutane rose by 1%, 1%, 2%, and 21%, respectively.

Isobutane's premium to butane is the highest since June 2018.

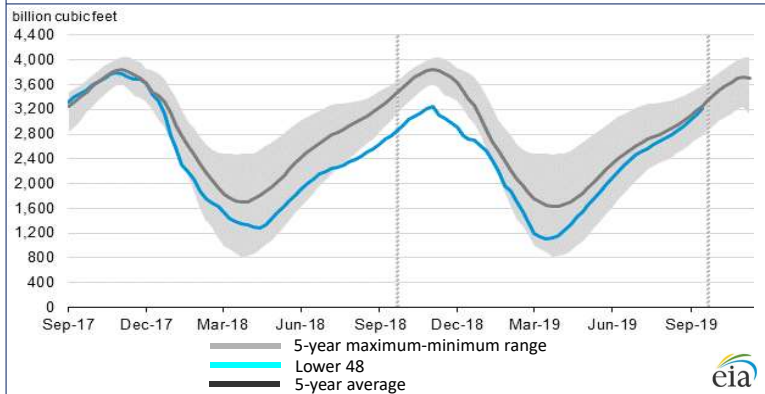
-According to Baker Hughes, for the week ending Tuesday, September 17, the natural gas rig count decreased by 5 to 148. The number of oil-directed rigs fell by 14 to 719. The total rig count decreased by 18, and it now stands at 868.

Excerpted from 

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



Working natural gas in underground storage as of Sep. 20, 2019

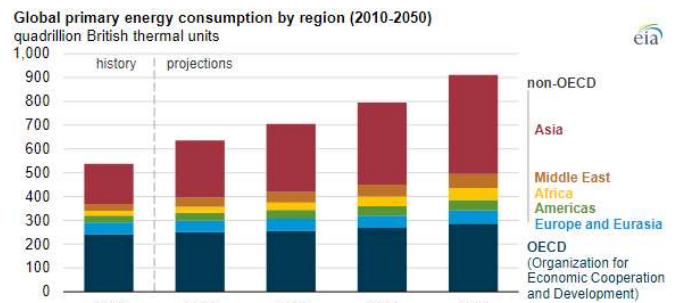



Forward 12-month NYMEX natural gas strip price - Oct19-Sep20:

Process Load-weighted \$2.505/dth - w/o/w = ▼\$0.082
 Typical Heat Load-weighted \$2.594/dth - w/o/w = ▼\$0.104

EIA projects nearly 50% increase in world energy usage by 2050, led by growth in Asia:

In its International Energy Outlook 2019 (IEO2019), the US Energy Information Admin. (EIA) projects that world energy consumption will grow by nearly 50% between 2018 and 2050. Most of this growth comes from countries that are not in the Organization for Economic Cooperation and Development (OECD). EIA's IEO2019 assesses long-term world energy markets for 16 regions of the world, divided according to OECD and non-OECD membership. The industrial sector accounts for the largest share of energy consumption of any end-use sector - more than half of end-use energy consumption throughout the projection period, increasing by more than 30% between 2018 and 2050 as consumption of goods increases. Transportation energy consumption increases by nearly 40% between 2018 and 2050. This increase is largely driven by non-OECD countries, where transportation energy consumption increases nearly 80% between 2018 and 2050. Energy consumed in the buildings sector, which includes residential and commercial structures, increases by 65% between 2018 and 2050, due to rising income, urbanization, and increased access to electricity. The growth in end-use consumption results in electricity generation increasing 79% between 2018 and 2050. Electricity use grows in the residential sector as rising population and standards of living in non-OECD countries increase the demand for appliances and personal equipment. Worldwide renewable energy consumption to increase by 3.1% per year between 2018 and 2050, compared with 0.6% annual growth in petroleum and other liquids, 0.4% growth in coal, and 1.1% annual growth in natural gas consumption. Global natural gas consumption increases more than 40% between 2018 and 2050, and total consumption reaches nearly 200 quadrillion Btu by 2050.



Excerpted from 

“Immature poets imitate; mature poets steal.” -T. S. Eliot¹