

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, October 30 to Wednesday, November 6 (the Report Week). The Henry Hub spot price rose from \$2.67/MMBtu to \$2.78/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (Nymex), the price of the December 2019 natural gas futures contract increased 14¢, from \$2.691/MMBtu to \$2.828/MMBtu for the term of the Report Week. The price of the 12-month strip averaging December 2019 through November 2020 futures contracts climbed 7¢/MMBtu to \$2.567/MMBtu.


-Net injections into storage totaled 34 Bcf for the week ending November 1, compared with the five-year (2014-18) average net injections of 57 Bcf and last year's net injections of 63 Bcf during the same week. Working gas stocks totaled 3,729 Bcf, which is 29 Bcf (1%) more than the five-year average and 530 Bcf (17%) more than last year at this time.

-Total U.S. consumption of natural gas rose by 8% compared with the previous report week, according to data from IHS Markit. In the residential and commercial sectors, consumption increased by 40% as generally cooler temperatures prompted widespread demand for space heating for this first time this season in the Lower 48 states. Natural gas consumed for power generation declined by 4% week over week. Industrial sector consumption decreased by 3% week over week. Natural gas exports to Mexico decreased 1%.

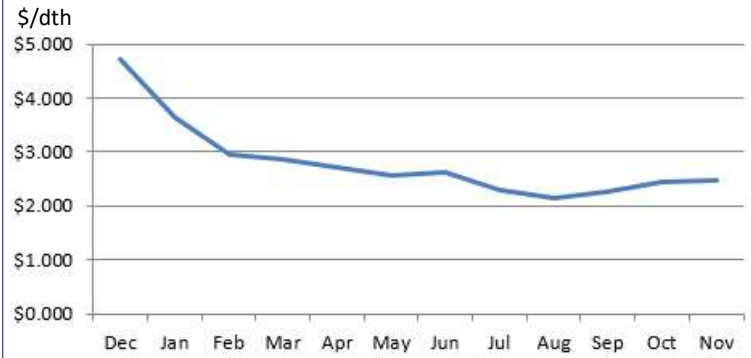
-According to data from IHS Markit, the average total supply of natural gas remained the same as in the previous report week, averaging 99.5 Bcf/d. Dry natural gas production remained constant week over week. Average net imports from Canada increased by 3% from last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 36¢/MMBtu, averaging \$5.65/MMBtu for the week ending November 6. The price of propane, ethane, butane, and isobutane rose by 10%, 9%, 9%, and 6%, respectively. The price of natural gasoline remained flat week over week.

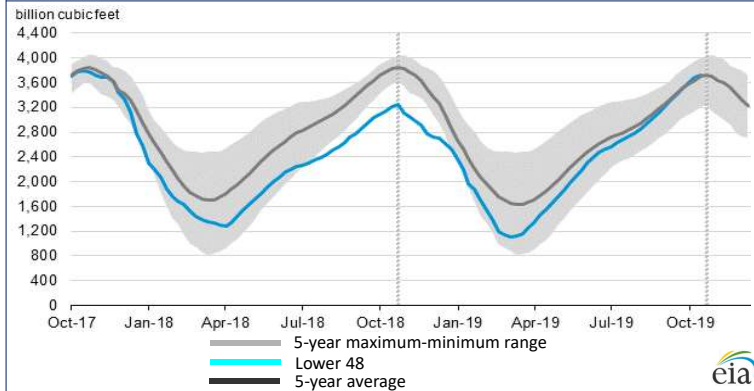
-According to Baker Hughes, for the week ending Tuesday, October 29, the natural gas rig count decreased by 3 to 130. The number of oil-directed rigs fell by 5 to 691. The total rig count decreased by 8, and it now stands at 822.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Dec 2018 - Nov 2019:



Working natural gas in underground storage as of Nov. 1, 2019

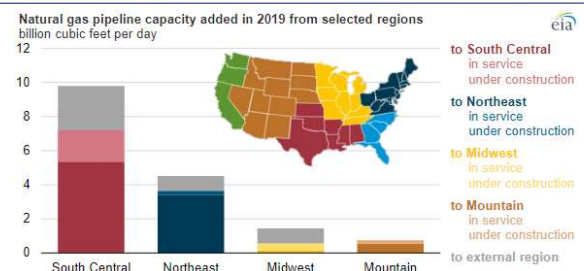



Forward 12-month NYMEX natural gas strip price - Dec19-Nov20:

Process Load-weighted \$2.567/dth - w/o/w = ▲\$0.069
 Typical Heat Load-weighted \$2.679/dth - w/o/w = ▲\$0.091

New natural gas pipelines are adding capacity from the South Central, Northeast regions:

The US is expected to approx. 17 billion cubic feet per day (Bcf/d) of natural gas pipeline capacity in 2019, most of which was built to provide additional takeaway capacity out of supply basins. Of the 134 active natural gas pipeline projects the US Energy Information Administration (EIA) tracks, 46 have entered or are expected to enter service in 2019. These projects will increase deliveries by pipeline to Mexico or to liquefied natural gas (LNG) export facilities in the Gulf Coast region. More than 40% of this new pipeline capacity 7.2 Bcf/d delivers natural gas to locations within the South Central region. Many of these pipeline projects will provide additional takeaway capacity out of the Permian Basin in western Texas or enable additional Permian natural gas production to reach the interstate pipeline system. The only pipeline project in the South Central region in 2019 that moves natural gas outside its region is the 2.6 Bcf/d Valley Crossing Pipeline, which exports to markets in Mexico. This pipeline connects to the newly built Sur de Texas-Tuxpan pipeline, a 497-mile underwater project that was also completed in 2019 and transports US natural gas to the southern Mexican state of Veracruz. After the South Central region, the Northeast region built the most additional natural gas pipeline capacity in 2019, providing additional outlets for natural gas produced in the Appalachian Basin. Most of this new pipeline capacity is the result of projects that were originally slated to enter service in 2018. The largest projects in the Northeast already completed in 2019 are Millennium Pipeline's 223 MMcf/d Eastern System Upgrade Project, which increased deliverability to customers in Pennsylvania and New York, and Transcontinental Gas Pipeline Company's 190 MMcf/d Rivervale South to Market Project, which increased deliverability into the New York City market. The remainder of the new pipeline capacity in the Northeast connects natural gas supply to the NEXUS pipeline in the Midwest (the completed Appalachia Lease Project Phase 2) or to market hubs within the Northeast.



Excerpted from 

"If there be time to expose through discussion the falsehood and fallacies, to avert the evil by processes of education, the remedy to be applied is more speech, not enforced silence." -Louis Brandeis¹