

### Newstracker:

-Natural gas spot prices fell at most locations from Wednesday, November 27 to Wednesday, December 4 (the Report Week). The Henry Hub spot price rose from \$2.33 per million British thermal units (MMBtu) to \$2.37/MMBtu from start to finish of the Report Week.

-At the New York Mercantile Exchange (Nymex), the December 2019 natural gas futures contract expired November 26 at \$2.470/MMBtu. The price of the January 2020 contract decreased 10¢, from \$2.501/MMBtu to \$2.399/MMBtu from open to close of the Report Week. The price of the 12-month strip averaging January 2020 through December 2020 futures contracts declined 7¢/MMBtu to \$2.333/MMBtu.

- The net withdrawal from storage totaled 19 Bcf for the week ending November 29, compared with the five-year (2014-18) average net withdrawal of 41 Bcf and last year's net withdrawal of 62 Bcf during the same week.

Working natural gas stocks totaled 3,591 Bcf, which is 9 Bcf lower than the five-year average and 591 Bcf (20%) more than last year at this time.

- Total U.S. consumption of natural gas rose by 7% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 6% week over week. In the residential and commercial sectors, consumption increased by 13%. Industrial sector consumption stayed constant, averaging 24.4 Bcf/d. Natural gas exports to Mexico increased 2%.

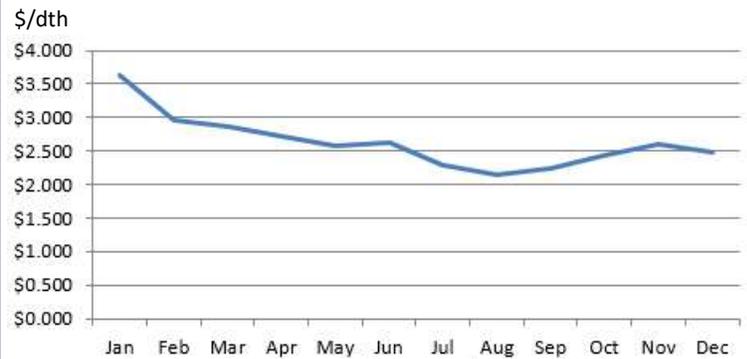
- According to data from IHS Markit, the average total supply of natural gas rose by 1% compared with the previous report week. Dry natural gas production remained constant week over week. Average net imports from Canada increased by 20% from last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 27¢/MMBtu, averaging \$5.77/MMBtu for the week ending December 4. The prices of ethane, butane, isobutane, natural gasoline, and propane, all fell, by 8%, 7%, 5%, 4%, and 2%, respectively.

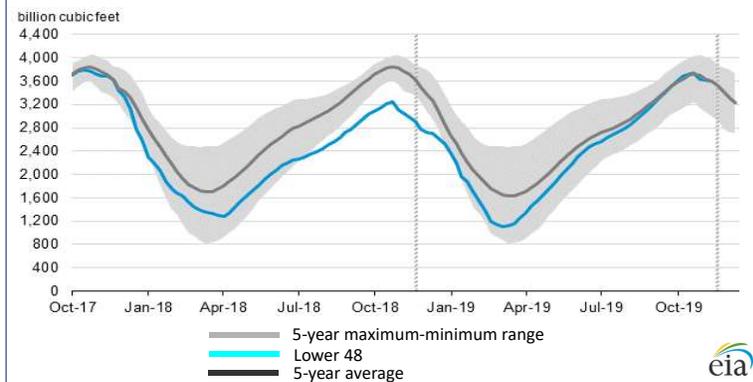
-According to Baker Hughes, for the week ending Tuesday, November 26, the natural gas rig count decreased by 2 to 131. The number of oil-directed rigs fell by 3 to 688. The total rig count decreased by 5, and it now stands at 802.

Excerpted from 

### Monthly NYMEX Natural Gas Settle Price: Jan 2019 - Dec 2019:



### Working natural gas in underground storage as of Nov. 29, 2019



### Forward 12-month NYMEX natural gas strip price - Jan20-Dec20:

Process Load-weighted \$2.333/dth - w/o/w = ▼\$0.071  
 Typical Heat Load-weighted \$2.369/dth - w/o/w = ▼\$0.079

### Early November cold weather prompts fuel switching in PJM and MISO:

A historic November cold snap sent temperatures below freezing in 75% of the Lower 48 states. Because of this cold snap, the price of natural gas increased from an average of less than \$2.00 per million British thermal units (MMBtu) in October to a mid-November high of \$5.11/MMBtu at the Tetco M3 hub, located in northeast Pennsylvania in the PJM Interconnection (PJM). The PJM Interconnection spans states in the U.S. Middle Atlantic. Prices rose about \$1.00/MMBtu and reached nearly \$3.00/MMBtu at the Chicago Citygate hub in the Midcontinent Independent System Operator (MISO). MISO covers much of the U.S. Midwest and part of the Gulf Coast. These price increases resulted in coal-fired power generation replacing natural gas-fired generation starting in late October in both of these regional transmission organization markets. In both PJM and MISO, where strong competition exists between natural gas- and coal-fired generation, relative shifts in fuel prices can influence which type of power plant operates. Throughout all of 2019, natural gas-fired generation has accounted for an increasing share of power generation in PJM and MISO, averaging 35% in PJM and 27% in MISO. This summer, the natural gas market in the Lower 48 states experienced record-high natural gas consumption, relatively low natural gas prices, retirements of coal-fired generation, and increasing natural gas-fired capacity. In October, when regional natural gas prices were particularly low because of moderate autumn temperatures, natural gas-fired generation in MISO reached its highest level for 2019 at 36%. However, as natural gas spot prices in the PJM and MISO regions approached nearly \$2.70/MMBtu in late October, the coal-fired generation share increased from its earlier lows.

Excerpted from 

“You can’t build a reputation on what you are going to do.” -Henry Ford<sup>1</sup>