

Newstracker:

-Natural gas spot prices rose at most locations for the period of Wednesday, January 1 to Wednesday, January 8 (the Report Week). The Henry Hub spot price rose from \$2.05 per million British thermal units (MMBtu) to \$2.08/MMBtu from open to close of the Report Week.


-At the New York Mercantile Exchange (Nymex), the price of the February 2020 natural gas futures contract decreased 5¢, from \$2.189/MMBtu to \$2.141/MMBtu during the term of the Report Week. The price of the 12-month strip averaging February 2020 through January 2021 futures contracts fell 1¢/MMBtu to \$2.319/MMBtu.

-The net natural gas withdrawal from storage totaled 44 Bcf for the week ending January 3, compared with the five-year (201519) average net withdrawal of 156 Bcf and last year's net withdrawal of 81 Bcf during the same week. Working natural gas stocks totaled 3,148 Bcf, which is 74 Bcf more than the five-year average and 521 Bcf more than last year at this time.

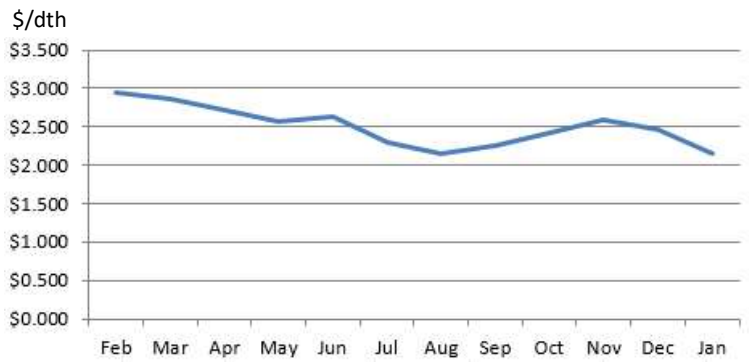
-Total U.S. consumption of natural gas rose by 10% compared with the previous report week, according to data from IHS Markit, amid seasonally cold temperatures. Natural gas consumed for power generation climbed by 11% week over week. Industrial sector consumption increased by 2% week over week. In the residential and commercial sectors, consumption increased by 15%. Natural gas exports to Mexico increased 16% as natural gas demand for power generation increased following low demand during the holiday season.

-U.S. LNG exports increase week over week. Nineteen LNG vessels (eight from Sabine Pass, five from Freeport, and two from Corpus Christi, Cove Point, and Cameron) with a combined LNG-carrying capacity of 68 Bcf departed the United States between January 2 and January 8, 2020, according to shipping data compiled by Bloomberg.

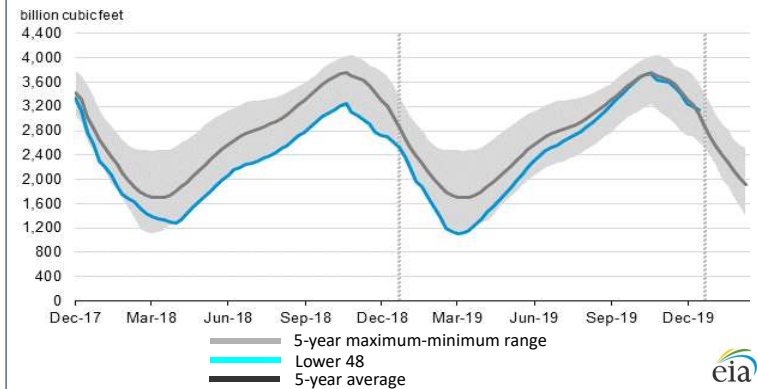
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 18¢/MMBtu, averaging \$5.07/MMBtu for the week ending January 8. The prices of ethane and propane fell by 15% and 3%, respectively. The prices of butane and isobutane rose by 3% and 2%, respectively. The price of natural gasoline remained flat week over week.

-According to Baker Hughes, for the week ending Tuesday, December 31 the natural gas rig count decreased by 2 to 123. Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Feb 2019 - Jan 2020:



Working natural gas in underground storage as of Jan. 3, 2020

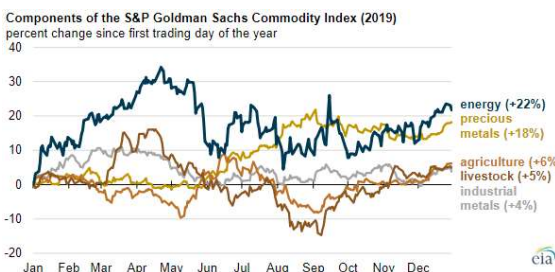



Forward 12-month NYMEX natural gas strip price - Feb20-Jan21:

Process Load-weighted \$2.319/dth - w/o/w = ▼\$0.011
 Typical Heat Load-weighted \$2.359/dth - w/o/w = ▼\$0.014

Energy commodity prices rose more than other goods in 2019:

The energy portion of the S&P Goldman Sachs Commodity Index (GSCI) ended 2019 22% higher than it began the year. Price indexes for other commodity types also increased in 2019, but not as much as the energy commodity index. Composed of 24 individual commodity contracts organized into five sub-indexes, the values of the GSCI and its sub-indexes are calculated as weighted averages. The weight assigned to each commodity reflects its significance to the world economy in a given year as measured by its production volume and liquidity. Prices for West Texas Intermediate (WTI) crude oil and Brent crude oil ended the year 31% and 20% higher, respectively, than on January 2, 2019. WTI's increase of 31% was the largest increase of all GSCI commodities in 2019. Other energy commodities such as RBOB (reformulated blendstock for oxygenate blending essentially the petroleum component of motor gasoline), heating oil, and gasoil rose by 28%, 19%, and 19%, respectively, in 2019. Natural gas was the only GSCI energy commodity to decrease in 2019: prompt-month natural gas futures sold on the New York Mercantile Exchange fell 26% from \$2.96 per million British thermal units (MMBtu) on January 2 to \$2.19/MMBtu on



December 31 the largest percentage decline of all commodities in the GSCI in 2019. Price changes for each commodity are weighted by their relative importance in the broader market. WTI and Brent crude oil prices accounted for 72% of the weighting in the S&P GSCI energy index and 45% of the total GSCI in 2019. Prices of many nonenergy commodities tend to move in the same direction as energy commodities. For instance, because consumers use more copper and more crude oil when the economy is expanding, copper prices and the Brent crude oil price typically move together. Conversely, precious metals such as gold and silver are typically seen as safe assets with values that increase with economic contractions. Gold and silver prices are positively correlated with each other but negatively correlated with commodities associated with economic expansion. Excerpted from 

“The frontiers of knowledge in the various fields of our subject are expanding at such a rate that, work as hard as one can, one finds oneself further and further away from an understanding of the whole.” -James Meade¹