

Newstracker:

-Natural gas spot price movements were mixed for the period of Wednesday, January 8 to Wednesday, January 15 (the Report Week). The Henry Hub spot price fell from \$2.08 per million British thermal units (MMBtu) to \$1.98/MMBtu from start to finish of the Report Week.

-At the New York Mercantile Exchange (Nymex), the price of the February 2020 natural gas futures contract decreased 2¢, from \$2.141/MMBtu to \$2.120/MMBtu from open to close of the Report Week. The price of the 12-month strip averaging February 2020 through January 2021 futures contracts declined 3¢/MMBtu to \$2.290/MMBtu.

-Net natural gas withdrawal from storage totaled 109 Bcf for the week ending January 10, compared with the five-year (2015-19) average net withdrawal of 184 Bcf and last year's net withdrawal of 82 Bcf during the same week. Working natural gas stocks totaled 3,039 Bcf, which is 149 Bcf (5%) more than the five-year average and 494 Bcf (19) more than last year at this time. The average rate of withdrawal from storage is 15% lower than the five-year average so far in the withdrawal season (November through March). If the rate of withdrawal from storage matched the five-year average of 14.7 Bcf/d for the remainder of the withdrawal season, the total inventory would be 1,846 Bcf on March 31, which is 149 Bcf higher than the five-year average of 1,697 Bcf for that time of year.

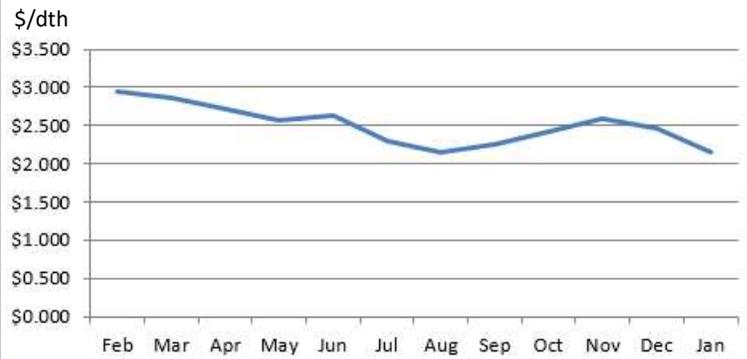
-Total US consumption of natural gas fell by 3% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation declined by 3% week over week. Industrial sector consumption decreased by 1% week over week. In the residential and commercial sectors, consumption declined by 4%. According to Genscape, natural gas exports to Mexico increased 5% as deliveries increased to Mexico's Sur de Texas-Tuxpan pipeline at Brownsville, Texas.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 2¢/MMBtu, averaging \$5.05/MMBtu for the week ending January 15. The prices of natural gasoline, propane, and isobutane fell by 4%, 1%, and 1%, respectively. Ethane and butane prices rose by 4% and 2%, respectively.

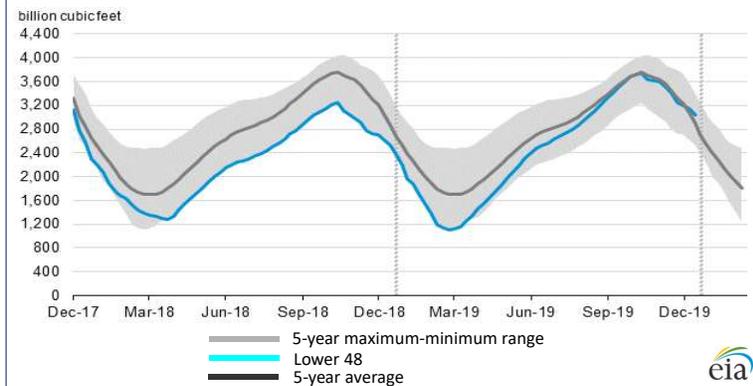
-According to Baker Hughes, for the week ending Tuesday, January 7, the natural gas rig count decreased by 4 to 119. The number of oil-directed rigs fell by 11 to 659. The total rig count decreased by 15, to 781.

Excerpted from 

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



Working natural gas in underground storage as of Jan. 10, 2020



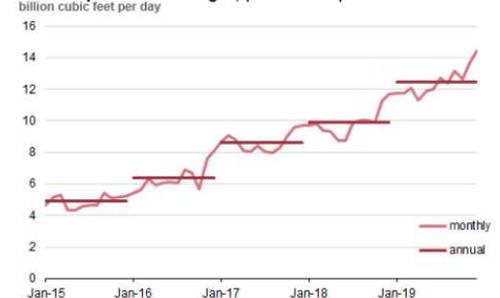
Forward 12-month NYMEX natural gas strip price - Feb20-Jan21:

Process Load-weighted \$2.290/dth - w/o/w = ▼\$0.029
 Typical Heat Load-weighted \$2.331/dth - w/o/w = ▼\$0.028

Top natural gas stories in 2019: record levels of exports, production, and electric power consumption:

Natural gas exports reached new highs in 2019, driven by LNG exports. Strong growth in exports of natural gas occurred, driven by record exports of liquefied natural gas (LNG). Several new LNG export facilities came online in 2019: the first train at Cameron LNG in May; the first and second trains at Freeport LNG in September and December, respectively; and the first five Moveable Modular Liquefaction System (MMLS) units at Elba Island LNG in December. Relatively low-cost natural gas supported exports of domestically produced natural gas. The United States has been a net exporter of natural gas for more than a year. EIA projects the United States will continue to be a net exporter through 2050 as a result of expected growth in both pipeline and LNG exports. Natural gas production reached new highs in 2019. Similar to 2018, 2019 showed record levels of natural gas production, driven by growth in the Permian, Appalachian, and Haynesville Basins. Substantial new pipeline capacity supported the increased production, particularly in the Permian Basin, where prices were extremely low because the region did not have the pipeline capacity move natural gas out of the region. Much of the recent production growth is attributable to associated natural gas (natural gas that is produced from crude oil wells), which drove continued growth despite a somewhat unfavorable price environment. Natural gas consumption in the electric power sector (power burn) reached new highs in 2019. During the summer of 2019, power burn also set several daily records. Lower natural gas prices led to increased natural gas consumption by power plants. In addition, the power sector added substantial natural gas-fired generation capacity in 2019, continuing the significant increase in capacity in 2018. The power sector has been trending toward more natural gas combined-cycle plants and renewable energy sources and fewer coal- and natural gas-fired plants that use older and less efficient technology. EIA forecasts that power burn will reach record highs in 2019, following similar record levels in 2018.

Gross exports of natural gas, (2015 – 2019)



Excerpted from 

"I've heard the stories. Like, Eric Clapton said he wanted to burn his guitar when he heard Jimi Hendrix play.

I never understood that because, when I went and saw a great drummer or heard one, all I wanted to do was practice." -Neil Peart¹