

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, February 5 to Wednesday, February 12 (the Report Week). The Henry Hub spot price rose from \$1.85 per million British thermal units (MMBtu) to \$1.87/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (Nymex), the price of the March 2020 natural gas futures contract decreased 2¢, from \$1.861/MMBtu to \$1.844/MMBtu from start to finish of the Report Week. The price of the 12-month strip averaging March 2020 through February 2021 futures contracts rose 2¢/MMBtu to \$2.172/MMBtu.

-The net natural gas withdrawal from storage totaled 115 Bcf for the week ending February 7, compared with the five-year (2015-19) average net withdrawal of 131 Bcf and last year's net withdrawal of 101 Bcf during the same week. Working natural gas stocks totaled 2,494 Bcf, which is 215 Bcf more than the five-year average and 601 Bcf more than last year at this time.

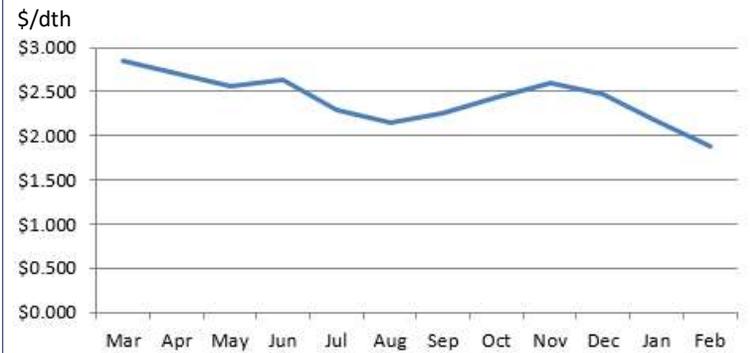
- Total U.S. consumption of natural gas rose by 5% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 4% week over week. Industrial sector consumption increased by 2% week over week. In the residential and commercial sectors, consumption increased by 7%. Natural gas exports to Mexico decreased 3%.

- According to data from IHS Markit, the average total supply of natural gas remained the same as in the previous report week, averaging 99.8 Bcf/d. Dry natural gas production remained constant week over week. Average net imports from Canada increased by 2% from last week.

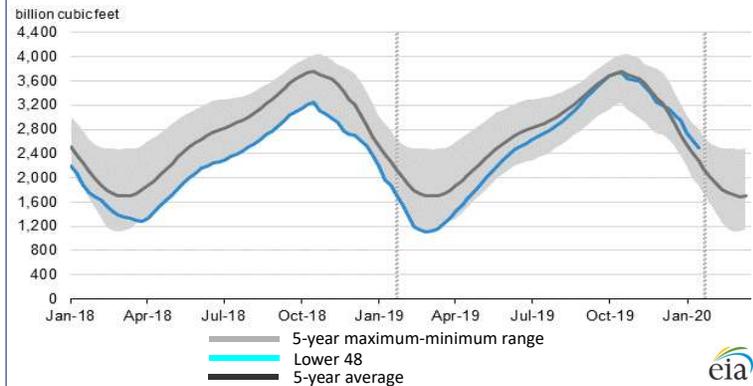
The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 27¢/MMBtu, averaging \$4.33/MMBtu for the week ending February 12. The prices of natural gasoline, propane, butane, and isobutane fell by 2%, 3%, 15%, and 19%, respectively. Isobutane prices have experienced larger-than-normal price movements over the past month as Enterprise's isobutane dehydrogenation plant entered service and ramped up to full operating capacity. The price of ethane rose by 3%.

According to Baker Hughes, for the week ending Tuesday, February 4, the natural gas rig count decreased by 1 to 111. The number of oil-directed rigs rose by 1 to 676. The total rig count stayed at 790. Excerpted from 

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



Working natural gas in underground storage as of Feb. 7, 2020



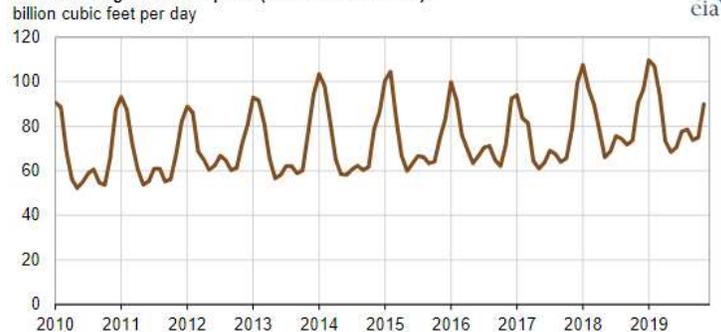
Forward 12-month NYMEX natural gas strip price - Mar20-Feb21:

Process Load-weighted \$2.172/dth - w/o/w = ▲\$0.025
 Typical Heat Load-weighted \$2.267/dth - w/o/w = ▲\$0.036

US natural gas consumption has both winter and summer peaks:

Natural gas consumption in the US has two seasonal peaks. In the winter months, cold weather leads to more demand for heating in the residential and commercial sectors. In the summer months, warm weather leads to more demand for air conditioning and, in turn, more demand for electricity. Because natural gas continues to account for an increasing share of the fuels used to generate electricity in the US, natural gas consumption by the electric power sector has increased throughout the year. In winter months, natural gas is used for heating in homes and businesses. These residential and commercial sectors consumed 49 billion cubic feet per day (Bcf/d) of natural gas in January 2019, or nearly half of the US total. During winter, homes and businesses also use heat pumps, electric radiators, space heaters, and other electric heating equipment. That equipment uses electricity, which is generated in part by natural gas, resulting in additional heating-related consumption of natural gas in the winter months. In January 2019, natural gas-fired generators provided 33% of the nation's electricity, and natural gas-fired power plants consumed 27 Bcf/d of natural gas to generate that electricity. In the summer, as temperatures and humidity increase, homes and businesses use air conditioning, and electricity demand increases. In 2019, US electricity generation was highest in July; in that month, natural gas generated 42% of US electricity, and natural gas-fired power plants consumed 41 Bcf/d of natural gas. Industrial consumption of natural gas is not very seasonal but is still highest in the winter, likely reflecting some heating-related industrial applications. Excerpted from 

U.S. natural gas consumption (Jan 2010-Nov 2019)



“You can be discouraged by failure, or you can learn from it. So go ahead and make mistakes, make all you can. Because, remember that's where you'll find success - on the far side of failure.” -Thomas J. Watson¹