

## Newstracker:

-Natural gas spot prices fell at most locations for the period of Wednesday, February 26 to Wednesday, March 4 (the Report Week). The Henry Hub spot price fell from \$1.92 per million British thermal units (MMBtu) last Wednesday to \$1.80/MMBtu from open to close of the Report Week.


-At the New York Mercantile Exchange (Nymex), the March 2020 natural gas futures contract expired February 26 at \$1.821/MMBtu. The now-prompt month April 2020 contract price decreased to \$1.827/MMBtu, down 1¢/MMBtu from start to finish of the Report Week. The price of the 12-month strip averaging April 2020 through March 2021 futures contracts declined 1¢/MMBtu to \$2.157/MMBtu.

-The net natural gas withdrawal from storage totaled 109 Bcf for the week ending February 28, compared with the five-year (2015-19) average net withdrawal of 106 Bcf and last year's net withdrawal of 152 Bcf during the same week. Working natural gas stocks totaled 2,091 Bcf, which is 176 Bcf (9%) more than the five-year average and 680 Bcf (48%) more than last year at this time. The average rate of withdrawal from storage is 8% 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 6.8 Bcf/d for the remainder of the withdrawal season, the total inventory would be 1,873 Bcf on March 31, which is 176 Bcf higher than the five-year average of 1,697 Bcf for that time of year.

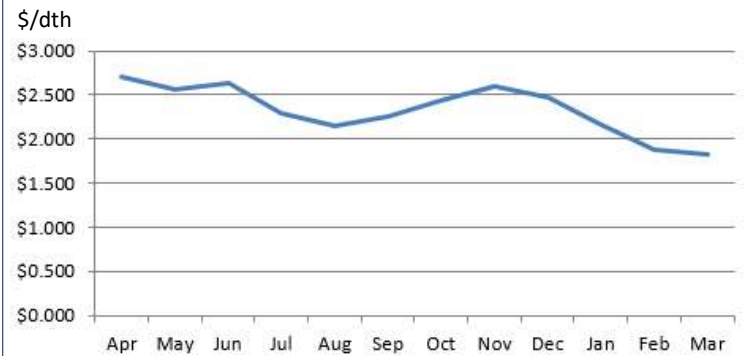
-Total US consumption of natural gas fell by 8% compared with the previous report week, according to data from IHS Markit. In the residential and commercial sectors, consumption declined by 14%. Natural gas consumed for power generation declined by 4% week over week. Industrial sector consumption decreased by 3%. Natural gas exports to Mexico increased 3%.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 33¢/MMBtu, averaging \$4.30/MMBtu for the week ending March 4. The prices of butane, natural gasoline, propane, and isobutane fell by 17%, 12%, 5%, and 4%, respectively. The price of ethane remained flat week over week.

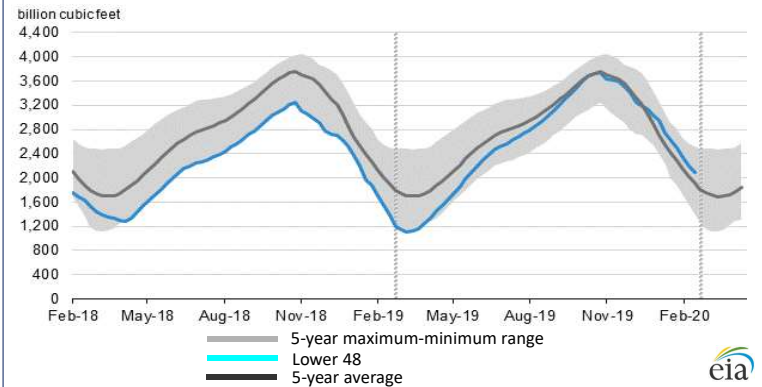
-According to Baker Hughes, for the week ending Tuesday, February 25, the natural gas rig count remained flat at 110. The number of oil-directed rigs fell by 1 to 678. The total rig count decreased by 1, and it now stands at 790

Excerpted from 

## Monthly NYMEX Natural Gas Settle Price: Apr 2019 - Mar 2020:



## Working natural gas in underground storage as of Feb. 28, 2020



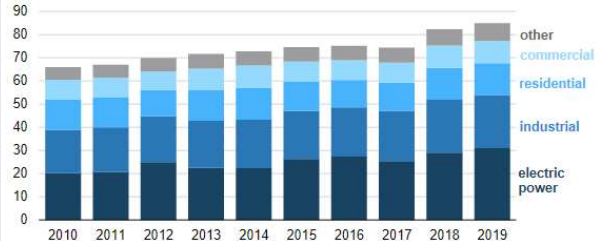
## Forward 12-month NYMEX natural gas strip price - Apr20-Mar21:

Process Load-weighted \$2.157/dth - w/o/w = ▼\$0.014  
 Typical Heat Load-weighted \$2.294/dth - w/o/w = ▼\$0.013

## US natural gas consumption sets new record in 2019:

US natural gas consumption increased by 3% in 2019, reaching a record of 85.0 billion cubic feet per day (Bcf/d). New natural gas-fired electric capacity and lower natural gas prices led the increase in domestic natural gas consumption. US natural gas consumption grew in the electric power sector by 2.0 Bcf/d, or 7%, but remained relatively flat in the commercial, residential, and industrial sectors. Exports by pipeline to Mexico and as liquefied natural gas (LNG) grew by 0.5 Bcf/d and 2.0 Bcf/d, respectively. In 2019, the electric power sector consumed 31.0 Bcf/d, or 36%, of total domestic US natural gas consumption. Natural gas-fired electric capacity additions grew in 2019, especially in the US mid-Atlantic region. Natural gas continues to account for the largest share of electricity generation after first surpassing coal-fired generation on an annual basis in 2016. In 2019, natural gas accounted for 38% of total electricity generation, followed by 23% for coal and 20% for nuclear. New natural gas generation capacity additions have continued to displace coal-fired power plants; about 5% of the total existing US coal-fired capacity was retired in 2019. Weather largely drives annual and monthly fluctuations in natural gas consumption. During the winter, US natural gas consumption levels are at their highest because natural gas is the predominant fuel for space heating in the residential and commercial sectors. In 2019, demand for natural gas as a heating fuel was similar to 2018 demand. Natural gas consumption has a smaller peak in the summer when demand for air conditioning, and therefore electricity, is greatest. In the summer of 2019, relatively high temperatures increased electricity usage and natural gas consumption. The US set a monthly record for US electric power sector consumption of 41.1 Bcf/d in July 2019, then surpassed that level to reach 41.6 Bcf/d in August. The electric power sector has been shifting toward natural gas in the past decade because of competitive natural gas prices and power plant technology improvements.

U.S. natural gas consumption by sector (2010-2019)  
billion cubic feet per day



“Don't you know this, that words are doctors to a diseased temperament?” -Aeschylus<sup>1</sup>