
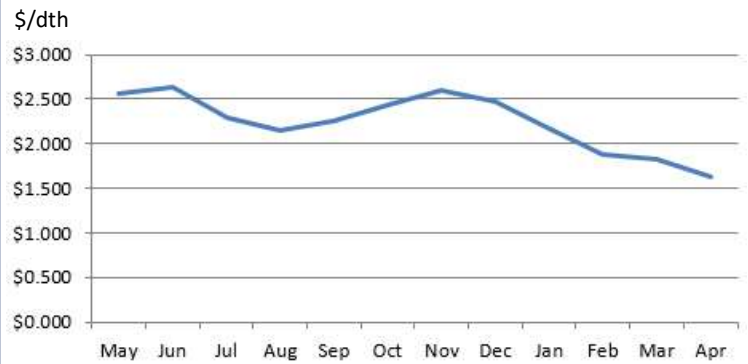


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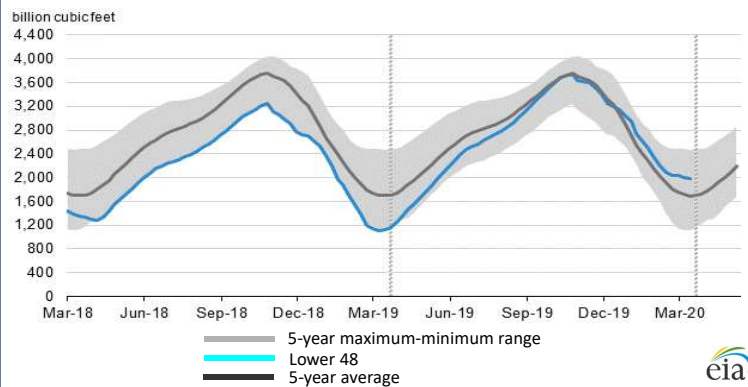
- Natural gas spot prices fell at most locations for the term of Wednesday, March 25 to Wednesday, April 1 (the Report Week). The Henry Hub spot price fell from \$1.71 per million British thermal units (MMBtu) to \$1.60/MMBtu from start to finish of the Report Week.
- At the New York Mercantile Exchange (Nymex), the April 2020 natural gas futures contract expired last Friday at \$1.634/MMBtu. The May 2020 contract price decreased to \$1.587/MMBtu, down 13¢/MMBtu from open to close of the Report Week. The price of the 12-month strip averaging May 2020 through April 2021 futures contracts declined 2¢/MMBtu to \$2.214/MMBtu.
- The net natural gas withdrawal from storage totaled 19 Bcf for the week ending March 27, compared with the five-year (2015-19) average net withdrawal of 19 Bcf and last year's net injection of 6 Bcf during the same week. Working natural gas stocks totaled 1,986 Bcf, which is 292 Bcf (17%) more than the five-year average and 863 Bcf (77%) more than last year at this time.
- Natural gas demand was down for the Report Week, driven by declines in power generation and building consumption. Total US consumption of natural gas fell by 7% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation declined by 7% week over week. In the residential and commercial sectors, consumption declined by 10%. Industrial sector consumption decreased by 4% week over week. Natural gas exports to Mexico decreased 2%.
- US LNG exports increased week over week, with nineteen LNG vessels with a combined LNG-carrying capacity of 70 Bcf departed the US between March 26 and April 1, 2020, according to shipping data provided by Marine Traffic.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 10¢/MMBtu, averaging \$2.50/MMBtu for the week ending April 1. The price of natural gasoline fell by 2%. The prices of propane, ethane, isobutane, and butane rose by 1%, 6%, 11%, and 18%, respectively.
- According to Baker Hughes, for the week ending Tuesday, March 24, the natural gas rig count decreased by 4 to 102. The number of oil-directed rigs fell by 40 to 624. The total rig count decreased by 44, and it now stands at 728.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: May 2019 - Apr 2020:



Working natural gas in underground storage as of Mar. 27, 2020



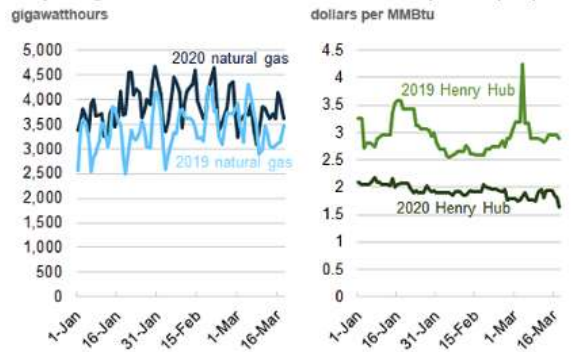
Forward 12-month NYMEX natural gas strip price - May20-Apr21:

Process Load-weighted \$2.214/dth - w/o/w = ▼\$0.021
Typical Heat Load-weighted \$2.450/dth - w/o/w = ▲\$0.011

Low natural gas prices and capacity additions drive 2020 power burn growth in the first quarter:

Natural gas-fired power generation grew in 2020 compared to year-ago levels for the same time period, increasing 12% in 2020 through March 18. The growth of natural gas-fired generation occurred despite a 5% decline in total electricity generation as a result of a warmer-than-average winter that reduced electric heating demand. Growth was driven primarily by low natural gas prices and capacity additions that occurred in 2019.

Daily net generation, Lower 48 states and Henry Hub spot price



Source: U.S. Energy Information Administration, U.S. Electric System Operating Data

Beginning in late 2019, with warmer-than-average winter temperatures and strong natural gas production, the Henry Hub natural gas spot price fell from \$2.87 per million British thermal units (MMBtu) on November 7 to an average of \$1.94/MMBtu so far in 2020. The relatively low price environment that has persisted for the first three months of 2020 has made natural gas a more competitive fuel source. As natural gas generation has increased, coal-fired generation has declined by an average of 965 GWh per day in 2020, compared to the same time period last year. Capacity additions over the past year have also contributed to the growth in natural gas-fired generation across the Lower 48 states. The US added a net 6,674 MW of new combined-cycle capacity in 2019. The growth in capacity is expected to continue with another net 5,840 MW of combined-cycle capacity planned for 2020.

Excerpted from 

“The task of the modern educator is not to cut down jungles, but to irrigate deserts.” -C. S. Lewis¹