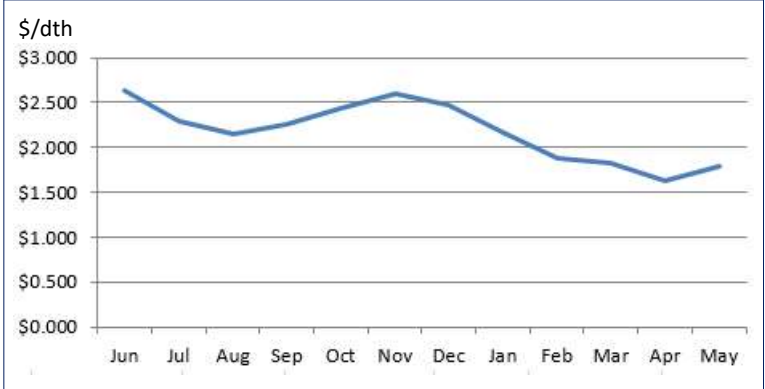


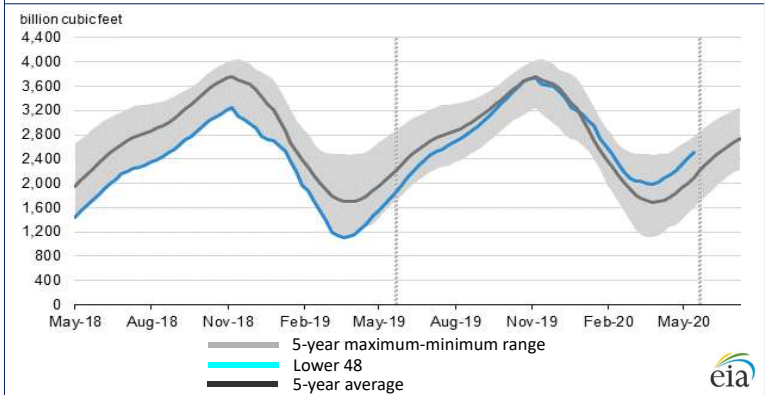
Newstracker:

- Natural gas spot prices rose at most locations from Wednesday, May 13 to Wednesday, May 20 (the Report Week). The Henry Hub spot price rose from \$1.56 per million British thermal units (MMBtu) to \$1.83/MMBtu from start to finish of the Report Week.
- At the New York Mercantile Exchange (Nymex), the price of the June 2020 natural gas futures contract increased 16¢, from \$1.616/MMBtu to \$1.771/MMBtu from open to close of the Report Week. The price of the 12-month strip averaging June 2020 through May 2021 futures contracts climbed 4¢/MMBtu to \$2.399/MMBtu.
- Net natural gas injections into storage totaled 81 Bcf for the week ending May 15, compared with the five-year (201519) average net injections of 87 Bcf and last year's net injections of 101 Bcf during the same week. Working natural gas stocks totaled 2,503 Bcf, which is 407 Bcf (19%) more than the five-year average and 779 Bcf (45%) more than last year at this time.
- Total US consumption of natural gas fell by 10.0% compared with the previous report week, according to data from IHS Markit. Gains in the electric power sector were more than offset by low demand for heating in buildings because of seasonal spring temperatures. In the residential and commercial sectors, consumption declined by 40.8% after a cold snap last week. Industrial sector consumption decreased by 3.8% week over week. Natural gas consumed for power generation climbed by 11.3% week over week. Natural gas exports to Mexico increased 2.5%.
- US LNG exports decreased week over week, as ten liquefied natural gas (LNG) vessels with a combined LNG-carrying capacity of 37 Bcf departed the US between May 14, 2020, and May 20, 2020, according to shipping data provided by Marine Traffic. This export volume is the lowest since the week of October 17, 2019.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 52¢/MMBtu, averaging \$4.27/MMBtu for the week ending May 20. The prices of natural gasoline and ethane rose by 8% and 18%, respectively.
- According to Baker Hughes, for the week ending Tuesday, May 12, the natural gas rig count decreased by 1 to 79. The number of oil-directed rigs fell by 34 to 258. The total rig count decreased by 35, and it now stands at 339, the lowest on record dating back to 1987. Excerpted from eia

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



Working natural gas in underground storage as of May 21, 2020

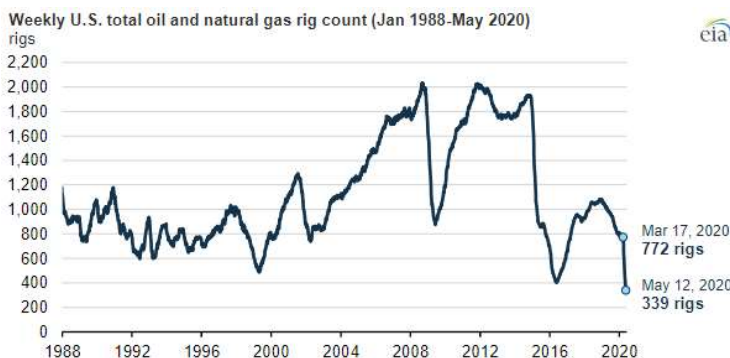


Forward 12-month NYMEX natural gas strip price - Jun20-May21:

Process Load-weighted \$2.399/dth - w/o/w = ▲\$0.037
 Typical Heat Load-weighted \$2.643/dth - w/o/w = ▲\$0.025

The number of active US crude oil and natural gas rigs is at the lowest point on record:

Producers were operating the fewest oil and natural gas drilling rigs on record in the US at 339 on May 12, the lowest level in the Baker Hughes Company's rig count data series that dates back to 1987. The number of active rigs began sharply decreasing in mid-March as crude oil prices fell: rigs have fallen by 56% (433 rigs) since March 17. Most of the decrease was in oil-focused geologic plays, but natural gas-focused plays also saw significant decreases. Since March 17, 71% (308 rigs) of the rigs taken out of service were in the top three US crude oil-producing regions. Drilling in oil-focused plays has declined as the impact of mitigation efforts for the 2019 novel coronavirus (COVID-19) have caused declines in petroleum demand and the resulting fall in crude oil prices. Rig counts have also fallen in natural gas-focused plays, although those plays had fewer rigs. Gas drilling rigs in the Marcellus and Haynesville regions, the top natural gas-producing regions in the US, declined by 23% and 26%, respectively, from mid-March to May 12. The oil rig count began to decrease sharply in mid-March. The quick reduction in active rigs coincided with the sudden decrease in petroleum prices and the loss of petroleum demand related to coronavirus-related mitigation efforts that also resulted in recent increases in the amount of crude oil placed in storage. Similarly, natural gas rig activity has decreased along with the natural gas price. However, the decrease in natural gas prices has been over a longer period than oil prices; natural gas prices were already at multi-year lows in early 2020. Excerpted from eia



“Accept the challenges so that you can feel the exhilaration of victory.” -George S. Patton¹