

## Newstracker:

-Natural gas spot price movements for the period of Wednesday, May 20 to Wednesday, May 27 (the Report Week). The Henry Hub spot price fell from \$1.83 per million British thermal units (MMBtu) to \$1.72/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (Nymex), the June 2020 natural gas futures contract expired Wednesday, 5/27 at \$1.722/MMBtu, down 5¢/MMBtu for the Report Week. The July 2020 contract price decreased to \$1.886/MMBtu, down 2¢/MMBtu from the previous Wednesday. The price of the 12-month strip averaging July 2020 through June 2021 futures contracts declined 1¢/MMBtu to \$2.451/MMBtu.

-Net natural gas injections into storage totaled 109 Bcf for the week ending May 22, compared with the five-year (2015-19) average net injections of 93 Bcf and last year's net injections of 110 Bcf during the same week. Working natural gas stocks totaled 2,612 Bcf, which is 423 Bcf (19%) more than the five-year average and 778 Bcf (42%) more than last year at this time.

-Total U.S. consumption of natural gas was unchanged from the previous report week, averaging 60.4 Bcf/d, according to data from IHS Markit.

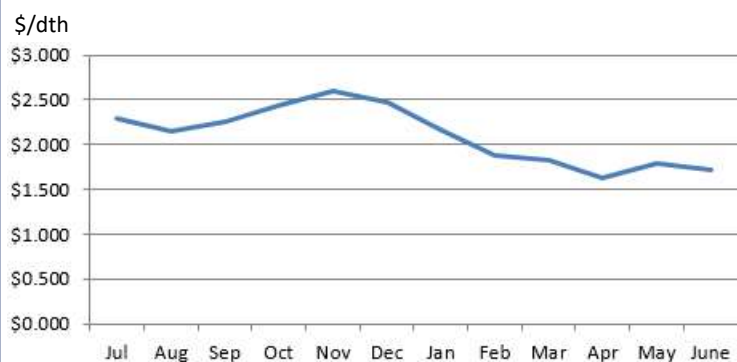
Natural gas consumed for power generation climbed by 8.3% week over week as many parts of the country experienced seasonally warm temperatures. Industrial sector consumption decreased by 1.3% week over week. In the residential and commercial sectors, consumption declined by 15.6% following last week's cooler weather. Natural gas exports to Mexico decreased 1.3%.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 8¢/MMBtu, averaging \$4.36/MMBtu for the week ending May 27. The price of natural gasoline fell by 1%. After significant increases in previous weeks, the price of ethane fell 10% but remained almost twice the price of natural gas on an energy-equivalent basis (versus the Henry Hub spot price). The prices of propane, butane, and isobutane rose by 9%, 10%, and 12%, respectively.

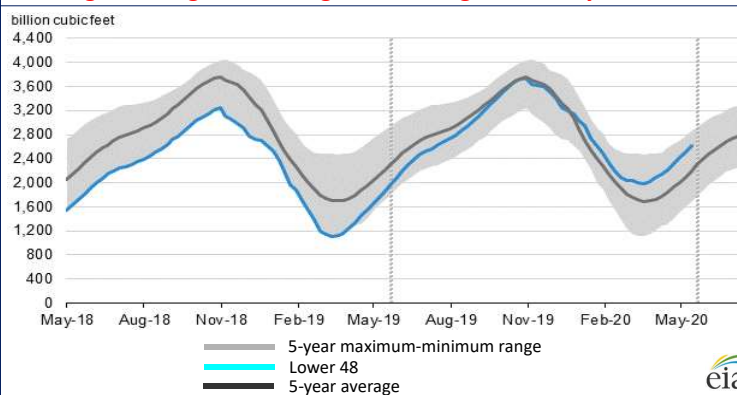
-According to Baker Hughes, for the week ending Tuesday, May 19, the natural gas rig count remained flat at 79. The number of oil-directed rigs fell by 21 to 237. The total rig count decreased by 21, and it now stands at 318.

Excerpted from 

## Monthly NYMEX Natural Gas Settle Price: Jul 2019 - Jun 2020:



## Working natural gas in underground storage as of May 22, 2020



## Forward 12-month NYMEX natural gas strip price - Jul20-Jun21:

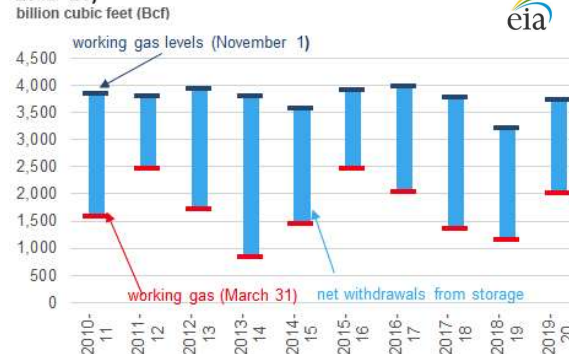
Process Load-weighted \$2.451/dth - w/o/w = ▼\$0.010  
 Typical Heat Load-weighted \$2.662/dth - w/o/w = ▼\$0.003


## Natural gas stocks post smallest heating season net withdrawals since 2015:

Working natural gas in storage in the Lower 48 states as of March 31, 2020, the traditional end of the heating season that began November 1, 2019, were 19% higher than the five-year (2015-19) average for the end of the heating season. Continued strength in natural gas production, along with reduced heating demand for natural gas as a result of relatively mild winter temperatures, accounted for relatively higher inventory levels. This heating season ended at the highest level for working natural gas stocks since 2017. The 2019-20 US heating season was characterized by periods of significantly warmer-than-normal temperatures. Cumulative heating degree days (HDDs) were 10% less than normal during the entirety of the 2019-20 heating season, only averaging above normal for the first week of the heating season.

During the 2019-20 heating season, natural gas production posted significant year-over-year increases that more than offset growth in natural gas consumption. Increased liquefied natural gas exports and increased power burn exceeded the declines in natural gas consumption for residential and commercial customers, which resulted from the relatively mild winter temperatures. The US Energy Information Administration (EIA) does not expect the working gas inventory surplus to continue to grow during the 2020 refill season (April 1- October 31). EIA forecasts that natural gas production will decline from year-ago record levels during the summer. These production declines, combined with continued strength in exports, will lead to smaller net injections into working gas.

## Heating season withdrawals from working gas (2010-11 to 2019-20)



Excerpted from 

"There are three things extremely hard: steel, a diamond, and to know one's self." -Benjamin Franklin<sup>1</sup>