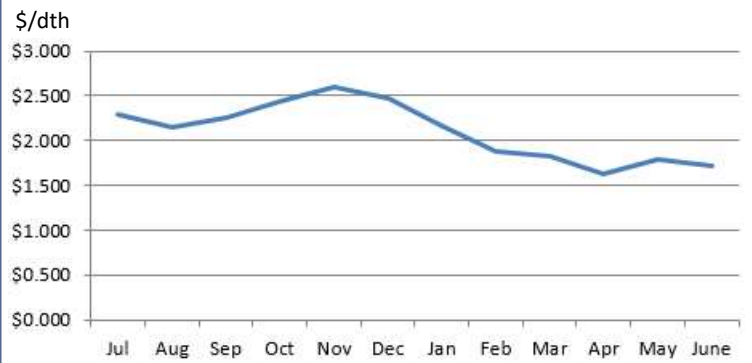


Newstracker:

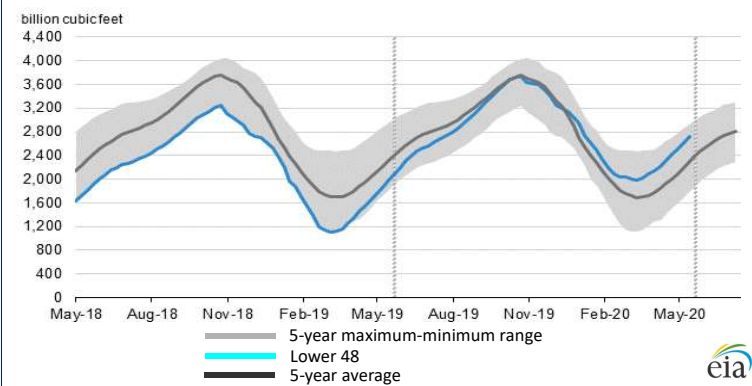
- Natural gas spot prices rose at most locations for the period of Wednesday, May 27 to Wednesday, June 3 (the Report Week). The Henry Hub spot price rose from \$1.72 per million British thermal units (MMBtu) to \$1.77/MMBtu from start to finish of the Report Week.
- At the New York Mercantile Exchange (Nymex), the price of the July 2020 natural gas futures contract decreased 6¢, from \$1.886/MMBtu to \$1.821/MMBtu from open to close of the Report Week. The price of the 12-month strip averaging July 2020 through June 2021 futures contracts fell 1¢/MMBtu to \$2.438/MMBtu.
- Net natural gas injections into storage totaled 102 Bcf for the week ending May 29, compared with the five-year (2015-19) average net injections of 103 Bcf and last year's net injections of 118 Bcf during the same week. Working natural gas stocks totaled 2,714 Bcf, which is 422 Bcf (18%) more than the five-year average and 762 Bcf (39%) more than last year at this time.
- Overall, natural gas demand rose for the Report Week because of electric power sector demand. Total US consumption of natural gas rose by 3.9% compared with the previous Report Week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 10.1% week over week. In the residential and commercial sectors, consumption declined by 5.9%. Industrial sector consumption decreased by 0.3% week over week. Natural gas exports to Mexico increased 4.8%.
- US LNG exports decreased week over week, as ten liquefied natural gas (LNG) vessels with a combined LNG-carrying capacity of 36 Bcf departed the US between May 28 and June 3, 2020, according to shipping data provided by Marine Traffic.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 11¢/MMBtu, averaging \$4.46/MMBtu for the week ending June 3. The prices of propane, isobutane, butane, and ethane rose by 1%, 4%, 6%, and 9%, respectively. The price of natural gasoline fell by 12% in response to weakened demand for diluent by heavy crude oil producers.
- According to Baker Hughes, for the week ending Tuesday, May 26, the natural gas rig count decreased by 2 to 77. The number of oil-directed rigs fell by 15 to 222. The total rig count decreased by 17, and it now stands at 301.

Excerpted from eia

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



Working natural gas in underground storage as of May 29, 2020



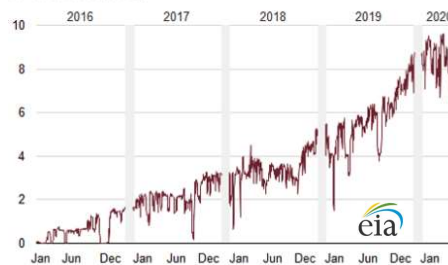
Forward 12-month NYMEX natural gas strip price - Jul20-Jun21:

Process Load-weighted \$2.438/dth - w/o/w = ▼\$0.014
 Typical Heat Load-weighted \$2.667/dth - w/o/w = ▲\$0.005

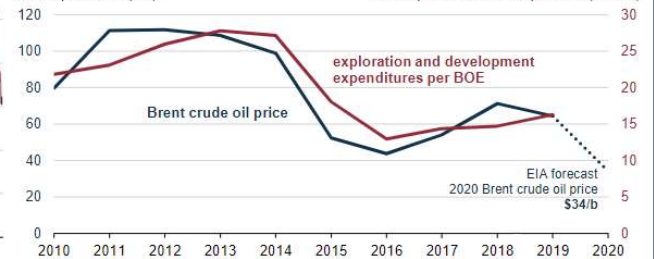
Mixed signals - reduced exploration and development investment versus reduced LNG demand:

Current market developments provide mixed signals for energy markets. A recent report by the US Energy Information Administration (EIA) projects that global expenditures related to oil and natural gas exploration and development (E&D) are likely to substantially decline in 2020, pointing toward upward pressure on prices. The projected decline is a result of several companies having already announced large 2020 budget reductions, and the forecast of 2020 Brent crude oil prices in the \$34/barrel range. Conversely, reduced demand as a result of declining natural gas deliveries to liquefied natural gas (LNG) facilities suggests downward pressure on natural gas prices. May 2020 deliveries reached their lowest level since October 2019. Declining levels of feedgas to LNG export facilities (and LNG export volumes) reflect a seasonal decline in LNG demand in the major consuming markets in Asia and Europe, as well as the reduction in global LNG demand resulting from mitigation efforts related to the corona virus (COVID-19), and historically low global LNG spot prices, which reduce economic viability of US LNG exports. Excerpted from eia

Daily U.S. natural gas deliveries to LNG export facilities, Feb 2016 – May 2020
billion cubic feet per day



Brent crude oil prices and exploration and development expenditures for 102 exploration and production companies (2010-2019)
dollars per barrel (\$/b) dollars per barrel of oil equivalent (\$/BOE)



“You have enemies? Good. That means you’ve stood up for something, sometime in your life.” -Winston Churchill¹