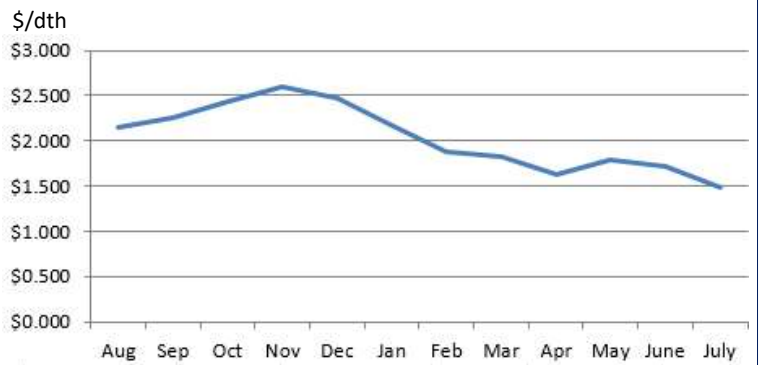


## Newstracker:

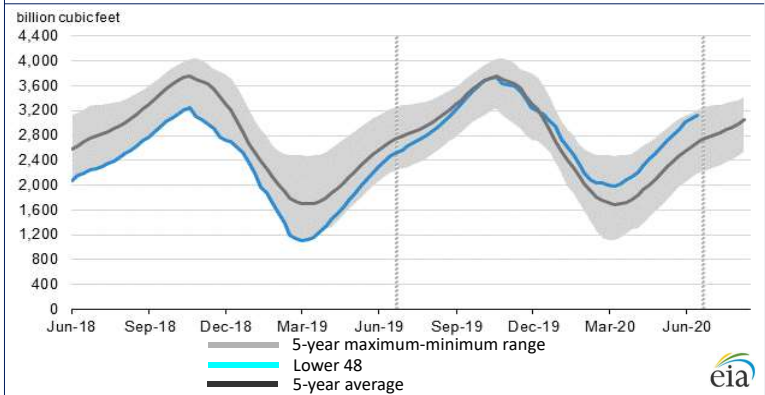
- Natural gas spot prices rose at most locations from Wednesday, June 17 to Wednesday, June 24 (the Report Week). The Henry Hub spot price rose from \$1.48 per million British thermal units (MMBtu) to \$1.58/MMBtu from open to close of the Report Week.
- At the New York Mercantile Exchange (Nymex), the price of the July 2020 natural gas futures contract decreased 4¢, from \$1.638/MMBtu to \$1.597/MMBtu from start to finish of the Report Week. The price of the 12-month strip averaging August 2020 through July 2021 futures contracts increased 3¢/MMBtu to \$2.445/MMBtu.
- Net natural gas injections into storage totaled 56 Bcf for the week ending July 3, compared with the five-year (2015-19) average net injections of 68 Bcf and last year's net injections of 83 Bcf during the same week. Working natural gas stocks totaled 3,133 Bcf, which is 454 Bcf (17%) more than the five-year average and 685 Bcf (28%) more than last year at this time.
- Total U.S. consumption of natural gas rose by 9.8% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 20.5% week over week as temperatures increase following last week's mild weather. In the residential and commercial sectors, consumption declined by 0.1%. Industrial sector consumption decreased by 1.0% week over week. Natural gas exports to Mexico increased 6.4%. Feedgas to liquefied natural gas (LNG) terminals on Wednesday increased 0.6 billion cubic feet per day (Bcf/d), or 18%, compared to last Wednesday, giving lift to prices.
- US LNG exports decreased week over week as seven LNG vessels with a combined LNG-carrying capacity of 25 Bcf departed the US between June 18 and June 24, 2020, according to shipping data provided by Marine Traffic.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 1¢/MMBtu, averaging \$4.43/MMBtu for the week ending June 24. The prices of ethane, butane, and isobutane fell by 4%, 3%, and 1%, respectively. The prices of natural gasoline and propane rose by 5% and 4%, respectively.
- According to Baker Hughes, for the week ending Tuesday, June 16, the natural gas rig count decreased by 3 to 75. The number of oil-directed rigs fell by 10 to 189. The total rig count decreased by 13, and it now stands at 266.

Excerpted from eia

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



## Working natural gas in underground storage as of July 3, 2020



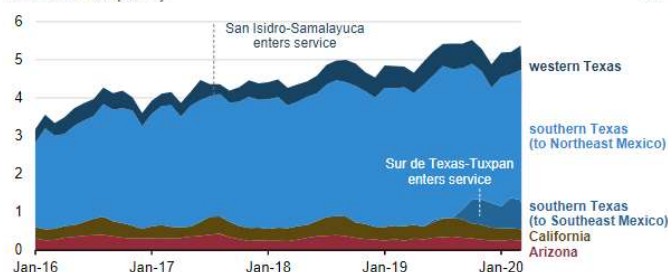
## Forward 12-month NYMEX natural gas strip price - Aug20-Jul21:

Process Load-weighted \$2.445/dth - w/o/w = ▲\$0.028  
Typical Heat Load-weighted \$2.622/dth - w/o/w = ▲\$0.011

## US natural gas exports to Mexico set to rise with completion of the Wahalajara System:

Exports of natural gas to Mexico by pipeline are the largest component of US natural gas trade, accounting for 40% of all US gross natural gas exports in 2019. Exports to Mexico are forecast to increase with the completion of the southern-most segment of the Wahalajara system, the Villa de Reyes-Aguascalientes-Guadalajara (VAG) pipeline. VAG began operations in June 2020, connecting new demand markets in Mexico to U.S. natural gas pipeline exports. The Wahalajara system is a group of new pipelines that connects the Waha hub in western Texas, a major supply hub for Permian Basin natural gas producers, to Guadalajara and other population centers in west-central Mexico. The Wahalajara system provides US natural gas to meet growing demand from Mexico's electric power and industrial sectors. With the 0.89 billion cubic feet per day (Bcf/d) VAG pipeline entering service, utilization of the Wahalajara system will quickly ramp up, resulting in increased US natural gas exports to Mexico out of western Texas and additional takeaway capacity out of the Permian Basin. US natural gas exports to Mexico reached a record 5.5 Bcf/d in October 2019. Export volumes on the Wahalajara system will be limited by how quickly customers in Mexico can be connected to the new pipeline system. These connections include new natural gas-fired combined-cycle generators and the scheduled 2020 completion of a new pipeline that will deliver natural gas to central Mexico. As US natural gas exports on the Wahalajara system rise and crude oil prices remain low, prices at the Waha hub in the Permian Basin, which had been steeply discounted to the Henry Hub national benchmark, to expected continue to strengthen.

U.S. monthly natural gas exports to Mexico by region (Jan 2016-Mar 2020)  
billion cubic feet per day



Excerpted from eia

"It is difficult to get a man to understand something when his salary depends upon his not understanding it." -Upton Sinclair<sup>1</sup>