

Newstracker:

-Natural gas spot prices were mixed at most locations from Wednesday, July 29 to Wednesday, August 5 (the Report Week). The Henry Hub spot price rose from \$1.75 per million British thermal units (MMBtu) to \$2.18/MMBtu during the Report Week term.

-At the New York Mercantile Exchange (Nymex), the August 2020 contract expired Wednesday, July 29 at \$1.854/MMBtu. The September 2020 contract price increased to \$2.191/MMBtu, up 26¢/MMBtu from open to close of the Report Week. The price of the 12-month strip averaging September 2020 through August 2021 futures contracts climbed 9¢/MMBtu to \$2.714/MMBtu.

-Net natural gas injections into storage totaled 33 Bcf for the week ending July 31, compared with the five-year (2015-19) average net injections of 33 Bcf and last year's net injections of 58 Bcf during the same week. Working natural gas stocks totaled 3,274 Bcf, which is 429 Bcf (15%) more than the five-year average and 601 Bcf (22%) more than last year at this time.

-Total US consumption of natural gas fell by 6.2% compared with the previous Report Week, according to data from IHS Markit. Natural gas consumed for power generation declined by 9.3% week over week. In the residential and commercial sectors, consumption declined by 8.8%. Industrial sector consumption increased by 1.8% week over week. Natural gas exports to Mexico increased 1.1%. Feedgas to liquefied natural gas (LNG) terminals averaged 0.6 Bcf/d, or 19%, higher than last week.

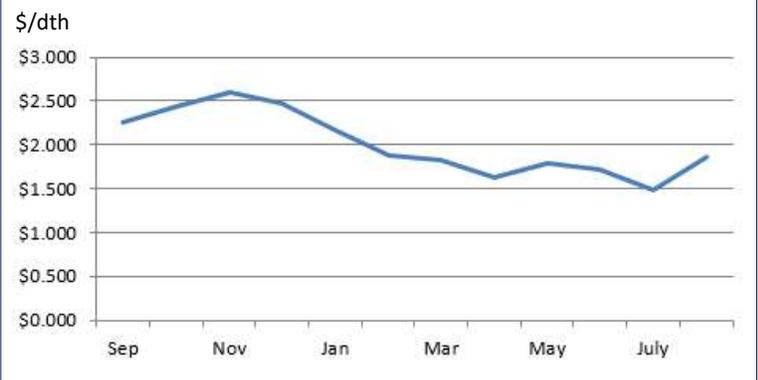
-US LNG exports decrease week over week as five vessels with a combined LNG-carrying capacity of 18 Bcf departed the US between July 30 and August 5, 2020, according to shipping data provided by Marine Traffic.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 11¢/MMBtu, averaging \$5.00/MMBtu for the week ending August 5. The price of butane fell by 5%. The prices of ethane, natural gasoline, and isobutane rose by 1%, 8%, and 15%, respectively. The price of propane remained flat week over week.

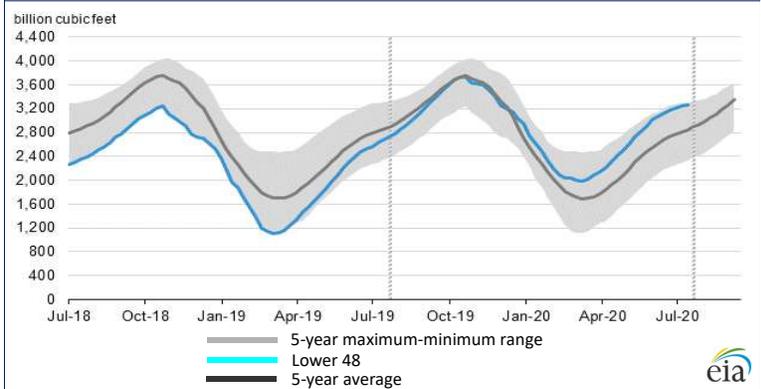
-According to Baker Hughes, for the week ending Tuesday, July 28, the natural gas rig count increased by 1 to 69, the first increase following six weeks of consecutive declines. The number of oil-directed rigs fell by 1 to 180. The total rig count stayed at 251.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Sep 2019 - Aug 2020:



Working natural gas in underground storage as of July 31, 2020

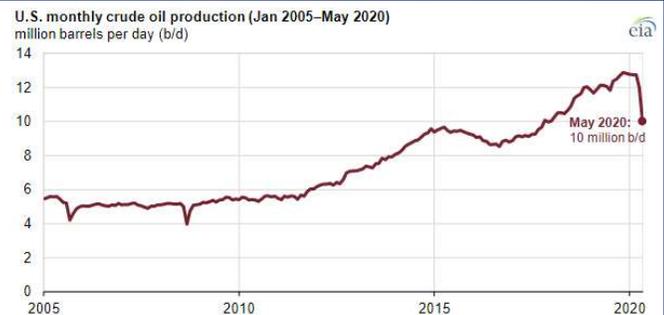


Forward 12-month NYMEX natural gas strip price - Sep20-Aug21:

Process Load-weighted \$2.714/dth - w/o/w = ▲\$0.095
 Typical Heat Load-weighted \$2.851/dth - w/o/w = ▲\$0.093

US crude oil production in May has a record monthly decrease; natural gas production continues decline:

Production of crude oil decreased in the US in May 2020 by 1.99 million barrels per day (b/d), the largest monthly decrease since at least January 1980. May marks the sixth consecutive monthly decrease in crude oil production. May crude oil production decreased by 16.6% as the economic impact of COVID-19 mitigation efforts led to a drop in demand. Reduced economic activity related to COVID-19 mitigation efforts has caused changes in energy supply and demand patterns. Crude oil producers curtailed production and reduced drilling activity, lowering the output for the major US oil-producing regions. The benchmark West Texas Intermediate (WTI) crude oil average spot price dropped from \$58 dollars per barrel (b) in January 2020 to \$17/b in April; however, WTI increased to \$29/b in May as production decreased and demand increased. The US Energy Information Administration (EIA) expects U.S. crude oil production to rise in July 2020 as demand and prices increase. In its July Short-Term Energy Outlook (STEO), EIA forecasts that U.S. crude oil production will average 11.6 million barrels per day (b/d) in 2020. Before the COVID-19 pandemic and the economic downturn, U.S. crude oil production averaged 12.8 million b/d in the first two months of 2020. US natural gas production decreased 5.9 billion cubic feet per day (Bcf/d), or 5.3%, from April to May. The May decrease is the second-largest monthly decrease in US natural gas production on record. Texas saw the largest regional monthly decrease for natural gas production in May, decreasing by 2.3 Bcf/d, or 8.1%. Texas, Oklahoma, North Dakota, Pennsylvania, and New Mexico each had record monthly drops in natural gas production in May. EIA forecasts that US marketed natural gas production will decline for the remainder of 2020.



Excerpted from 

Aside from injuries, infections, and poisons, all of our ills are caused simply by doing what we ought not to do, and leaving undone the things we ought to do. It is painful to think of the terrible slaughter caused by ignorance." -Dr. James Salisbury¹

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¹<https://archive.org/details/63820150R.nlm.nih.gov/page/n19/mode/2up>