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Energy Market Report

Report Date: September 18, 2020

Report Week: September 9, 2020 to September 16, 2020

Questions?
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Newstracker:

-Natural gas spot prices fell at most locations from Wednesday, September 9, to Wednesday, September 16 (the Report Week). The Henry Hub spot price fell from $2.19 per million British thermal units (MMBtu) to $2.06/MMBtu during the Report Week term.

-At the New York Mercantile Exchange (Nymex), the price of the October 2020 natural gas futures contract decreased 14¢, from $2.406/MMBtu to $2.267/MMBtu from open to close of the Report Week. The price of the 12-month strip averaging October 2020 through September 2021 futures contracts declined 8¢/MMBtu to $2.880/MMBtu.

-Net natural gas injections into storage totaled 89 Bcf for the week ending September 11, compared with the five-year (201519) average net injections of 77 Bcf and last year's net injections of 82 Bcf during the same week. Working natural gas stocks totaled 3,614 Bcf, which is 421 Bcf (13%) more than the five-year average and 535 Bcf (17%) more than this time last year.

-Temperatures averaged 6570 degrees Fahrenheit across most of the Lower 48 states, reducing cooling demand and energy consumption. Total U.S. consumption of natural gas fell by 3.0% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation declined by 6.3% week over week. In the residential and commercial sectors, consumption increased by 2.7%. Industrial sector consumption increased by 0.4%. Nat gas exports to Mexico decreased 5.7%.

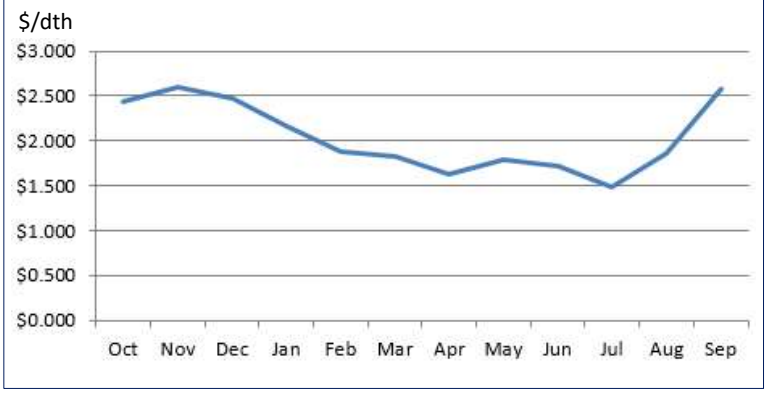
-US LNG exports increased week over week as a total of 11 LNG vessels with a combined LNG-carrying capacity of 41 Bcf departed the US between September 10 and September 16, 2020, according to shipping data provided by Marine Traffic.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 7¢/MMBtu, averaging $4.77/MMBtu for the week ending September 16. The prices of natural gasoline and propane each fell by 2%. The prices of ethane and butane rose by 6% and 10%, respectively. The price of isobutane remained flat week over week.

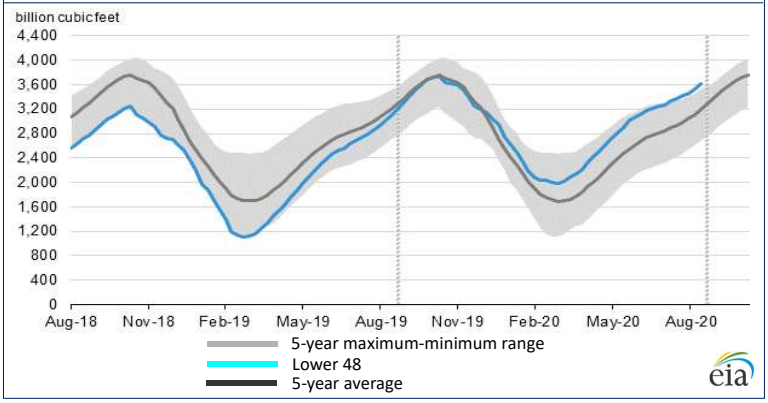
-According to Baker Hughes, for the week ending Tuesday, September 8, the natural gas rig count decreased by 1 to 71. The number of oil-directed rigs fell by 1 to 180. The total rig count decreased by 2, and it now stands at 254

Excerpted from eia

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



Working natural gas in underground storage as of Sept. 11, 2020



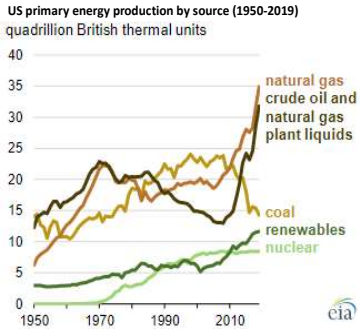
Forward 12-month NYMEX natural gas strip price - Oct20-Sep21:

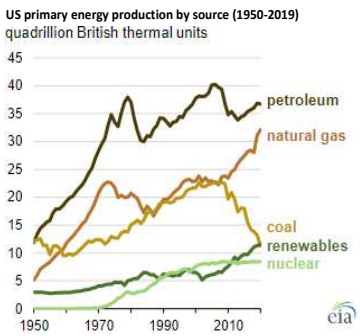
Process Load-weighted $2.880/dth - w/o/w = ▼$0.084

Typical Heat Load-weighted $2.990/dth - w/o/w = ▼$0.107

Fossil fuels account for the largest share of US energy production and consumption:

Fossil fuels, including petroleum, natural gas, and coal, continue to account for the largest share of energy production and consumption in the US. In 2019, 80% of domestic energy production was from fossil fuels, and 80% of domestic energy consumption originated from fossil fuels. The share of US total energy production from fossil fuels peaked in 1966 at 93%. Total fossil fuel production has continued to rise, but production has also risen for non-fossil fuel sources such as nuclear power and renewables. As a result, fossil fuels have accounted for about 80% of US energy production in the past decade. In 2019, US energy production exceeded energy consumption for the first time since 1957, and US energy exports exceeded energy imports for the first time since 1952. US energy net imports as a share of consumption peaked in 2005 at 30%. Although energy net imports fell below zero in 2019, many regions of the US still import significant amounts of energy. Most US energy trade is from petroleum, which accounted for 69% of energy exports and 86% of energy imports in 2019. Much of the imported crude oil is processed by US refineries and is then exported as petroleum products. The share of US total energy consumption that originated from fossil fuels has fallen from its peak of 94% in 1966 to 80% in 2019. The total amount of fossil fuels consumed in the US has also fallen from its peak of 86 quadrillion British thermal units (quads) in 2007. Since then, coal consumption has decreased by 11 quads. In 2019, renewable energy consumption in the US surpassed coal consumption for the first time. The decrease in coal consumption, along with a 3-quad decrease in petroleum consumption, more than offset an 8-quad increase in natural gas consumption.





Excerpted from eia

"My old man said this before, an empty lane is what you are looking for.
Never waste your time, the days are long but the years fly by." -Stoll Vaughn[1]

[1]https://letras2.com/the-allman-betts-band-magnolia-road/