

## Newstracker:

-Natural gas spot price movements were mixed from Wednesday, September 16 to Wednesday, September 23 (the Report Week). The Henry Hub spot price fell from \$2.06 per million British thermal units (MMBtu) to \$1.74/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (Nymex), the price of the October 2020 natural gas futures contract decreased 14¢, from \$2.267/MMBtu to \$2.125/MMBtu from start to finish of the Report Week. The price of the 12-month strip averaging October 2020 through September 2021 futures contracts climbed 6¢/MMBtu to \$2.911/MMBtu.


-Net natural gas injections into storage totaled 66 Bcf for the week ending September 18, compared with the five-year (2015-19) average net injections of 80 Bcf and last year's net injections of 97 Bcf during the same week. Working nat gas stocks totaled 3,680 Bcf, which is 407 Bcf (12%) more than the five-year average and 504 Bcf (16%) more than last year at this time.

-Total US consumption of natural gas rose by 1.0% compared with the previous report week, according to data from IHS Markit. Natural gas consumed in the residential and commercial sectors increased by 2.3 Bcf/d, or 27.9%, week over week amid cooler temperatures on the East Coast. Power generation consumption declined by 6.7%. Industrial sector consumption increased by 2.3% week over week. Natural gas exports to Mexico increased 3.9%. Natural gas deliveries to US LNG export facilities averaged 6.0 Bcf/d, or 1.0 Bcf/d lower than last week.

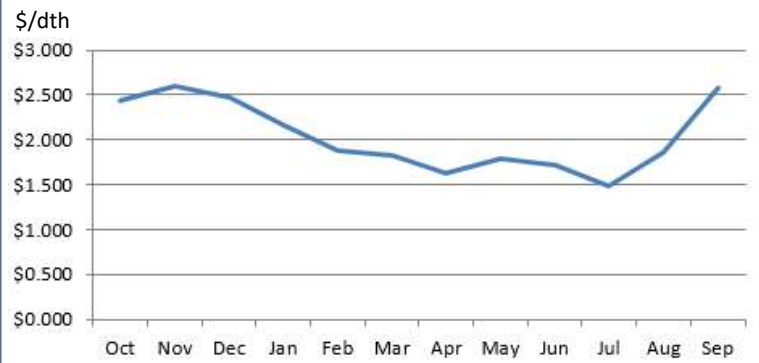
-US LNG exports decreased, as ten LNG vessels with a combined LNG-carrying capacity of 37 Bcf departed the US between September 17 & 23, according to shipping data provided by Marine Traffic.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 1¢/MMBtu, avg. \$4.76/MMBtu for the week ending September 23. The price of ethane fell by 15%. The prices of propane, natural gasoline, and butane rose by 7%, 6%, and 4%, respectively. The price of isobutane remained flat week over week.

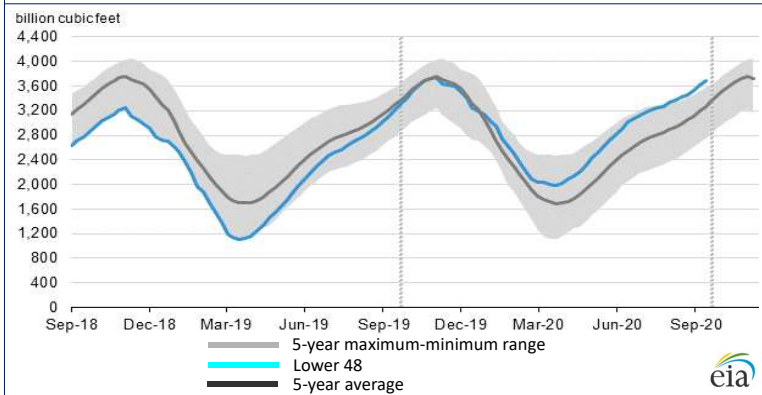
-According to Baker Hughes, for the week ending Tuesday, September 15, the natural gas rig count increased by 2 to 73. The number of oil-directed rigs fell by 1 to 179. The total rig count increased by 1, and it now stands at 255.

Excerpted from 

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



## Working natural gas in underground storage as of Sept. 18, 2020

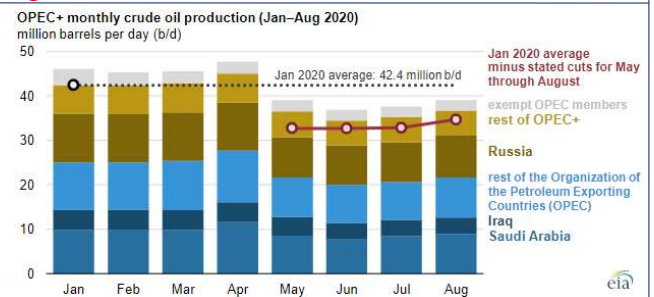


## Forward 12-month NYMEX natural gas strip price - Oct20-Sep21:

Process Load-weighted \$2.911/dth - w/o/w = ▲\$0.062  
 Typical Heat Load-weighted \$3.055/dth - w/o/w = ▲\$0.038

## OPEC+ agreement to reduce production contributes to global oil market rebalancing:

On April 15, members of the Organization of the Petroleum Exporting Countries (OPEC) and 10 non-OPEC partner countries, collectively known as OPEC+, agreed to reduce crude oil production in response to rapidly increasing global oil inventories in the first quarter of 2020. At the time, efforts to contain the spread of coronavirus resulted in a steep decline in demand for petroleum liquids and lower crude oil prices. Starting in May 2020, the OPEC+ agreement called for a decrease in crude oil output by an initial 9.7 million barrels per day (b/d) that gradually tapers through April 2022, the end of the current agreement period. Actual OPEC total crude oil production decreased by 6.0 million b/d from April to May, which was the largest monthly production decline since 1993. Compared with January 2020 total petroleum liquids production, partner countries' output fell by an estimated 5.9 million b/d in May, 7.9 million b/d in June, 7.1 million b/d in July, and 5.6 million b/d in August. OPEC members Iran, Libya, and Venezuela were exempt from the production cut agreement because of economic sanctions or domestic political instability. Estimates show that the OPEC+ agreement, along with declines in production elsewhere, including the US, brought global supply lower than the level of global demand for the first time since mid-2019. Lower supply than demand has resulted in significant global liquid fuels inventory draws since June. Inventories to forecast to continue declining in the second half of 2020 and during most of 2021, resulting in a relatively balanced market by the end of 2021.



Excerpted from 

“The saddest aspect of life right now is that science gathers knowledge faster than society gathers wisdom.” -Isaac Asimov<sup>1</sup>