

Newstracker:

-Natural gas spot price movements were mixed from Wednesday, October 14 to Wednesday, October 21 (the Report Week). The Henry Hub spot price rose from \$2.03 per million British thermal units (MMBtu) to \$2.86/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (Nymex), the price of the November 2020 natural gas futures contract increased 39¢, from \$2.636/MMBtu to \$3.023/MMBtu during the Report Week term. This increase marks the first time the near-month natural gas futures price has reached \$3.00/MMBtu since January 2019. The price of the 12-month strip averaging November 2020 through October 2021 futures contracts climbed 13¢/MMBtu to \$3.133/MMBtu.

-Net natural gas injections into storage totaled 49 Bcf for the week ending October 16, compared with the five-year (201519) average net injections of 75 Bcf and last year's net injections of 92 Bcf during the same week. Working natural gas stocks totaled 3,926 Bcf, which is 327 Bcf (9%) more than the five-year average and 345 Bcf (10%) more than last year at this time.

-Total US consumption of natural gas rose by 8.3% versus the previous Report Week, according to data from IHS Markit. Natural gas consumed for power generation declined by 4.1%. In the residential and commercial sectors, consumption increased by 52.3%. Industrial sector consumption increased by 3.9%. Natural gas exports to Mexico decreased 1.0%. Natural gas deliveries to US LNG export facilities averaged 7.9 Bcf/d, or 1.2 Bcf/d higher than last week.

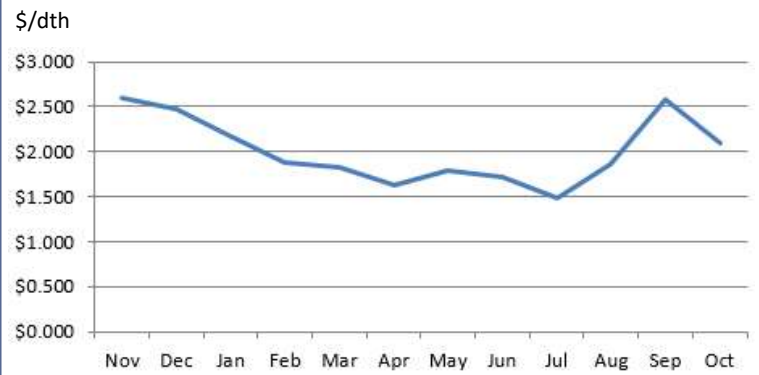
-US LNG exports increased week over week as fourteen LNG vessels with a combined LNG-carrying capacity of 51 Bcf departed the US between October 15 and October 21, 2020, according to shipping data by Marine Traffic.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 17¢/MMBtu, averaging \$5.23/MMBtu for the week ending October 21. The price of natural gasoline fell by 3%. The prices of ethane, propane, butane, and isobutane rose by 12%, 3%, 1%, and 1%, respectively.

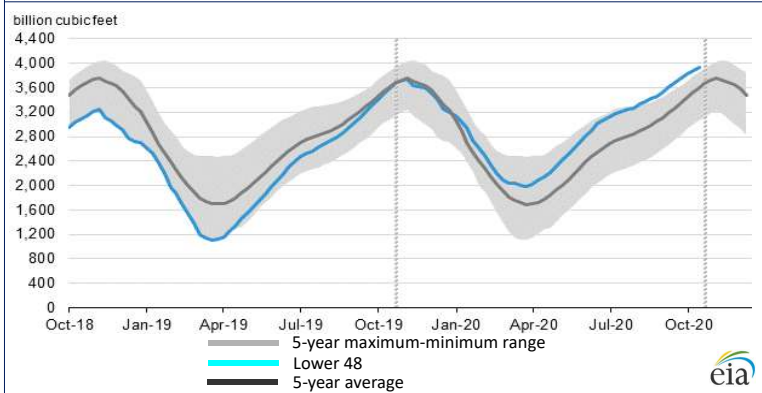
-According to Baker Hughes, for the week ending Tuesday, October 13, the natural gas rig count increased by 1 to 74. The number of oil-directed rigs rose by 12 to 205. The total rig count increased by 13, and it now stands at 282.

Excerpted from eia

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



Working natural gas in underground storage as of October 16, 2020



Forward 12-month NYMEX natural gas strip price - Nov20-Oct21:

Process Load-weighted \$3.133/dth - w/o/w = ▲\$0.133
 Typical Heat Load-weighted \$3.241/dth - w/o/w = ▲\$0.152

US solar prices higher than other sources/technologies:

In 2019, the average US wholesale price for electricity generated by solar photovoltaic (PV) technology was significantly higher than average wholesale prices for electricity from other technologies. The weighted average wholesale price for solar PV-generated electricity was \$83/MWh in 2019, more than double the price paid to producers for electricity generated by wind, fossil fuels, or nuclear. About one-third of all U.S. solar PV capacity is in California, where the average wholesale electricity price across all technologies was \$74/MWh in 2019, more than double the national average of \$36/MWh. The weighted average wholesale solar PV price in California was \$100/MWh, or more than 20% higher than the national average for solar PV.

U.S. average wholesale electricity prices by generating technology (2019)
 dollars per megawatt-hour



Wind farms in Texas, Oklahoma, and Kansas collectively produced 45% of total U.S. wind generation in 2019. The average wholesale wind price in these states was \$26/MWh compared with \$47/MWh for wind generation in all other states. Wholesale wind prices in Texas, Oklahoma, and Kansas tend to be lower because their favorable wind resources lower wind generation costs. Wholesale electricity prices are generally higher when electricity demand within an area is greater. Solar PV only generates electricity in the daytime, when electricity demand and wholesale power prices tend to be higher, but wind turbines generate electricity whenever the wind blows and tend to reach their greatest output overnight. In 2019, more than half of wind generation occurred at night, resulting in lower average wholesale prices for wind-powered electricity than solar-powered electricity.

“Don’t count the days, make the days count.” -Muhammad Ali¹