

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, October 21 to Wednesday, October 28 (the Report Week). The Henry Hub spot price rose from \$2.86 per million British thermal units (MMBtu) to \$3.06/MMBtu during the Report Week term.

-At the New York Mercantile Exchange (Nymex), the November 2020 natural gas futures contract expired Wednesday, October 28 at \$2.996/MMBtu, down 3¢/MMBtu from the previous week. The December 2020 contract price decreased to \$3.291/MMBtu, down 6¢/MMBtu from the previous week. The price of the 12-month strip averaging December 2020 through November 2021 futures contracts declined 3¢/MMBtu to \$3.108/MMBtu.


-Net natural gas injections into storage totaled 29 Bcf for the week ending October 23, compared with the five-year (2015-19) average net injections of 67 Bcf and last year's net injections of 89 Bcf during the same week. Working natural gas stocks totaled 3,955 Bcf, which is 289 Bcf (8%) more than the five-year average and 285 Bcf (8%) more than last year at this time.

-Total US consumption of natural gas rose by 7.0% compared with the previous Report Week, according to data from IHS Markit. Natural gas consumed for power generation declined by 1.0% week over week. In the residential and commercial sectors, consumption increased by 26.5%, reaching a high of 26.5 Bcf/d on October 27, the highest levels since April 2020. Industrial sector consumption increased by 3.2% week over week. Natural gas exports to Mexico decreased 1.9%. Natural gas deliveries to US LNG export facilities averaged 9.0 Bcf/d, or 1.1 Bcf/d higher than last week.

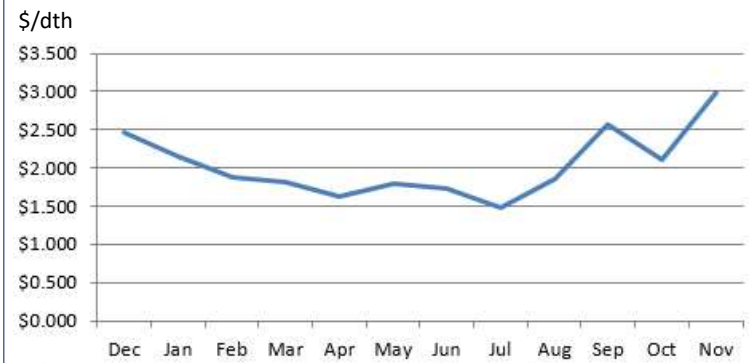
-US LNG exports increased week over week with sixteen LNG vessels with a combined LNG-carrying capacity of 58 Bcf departed the US between October 22 and October 28, 2020, according to data provided by Marine Traffic.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 8¢/MMBtu, averaging \$5.15/MMBtu for the week ending October 28. The prices of natural gasoline and ethane fell by 6% and 1%, respectively. The price of propane remained flat week over week.

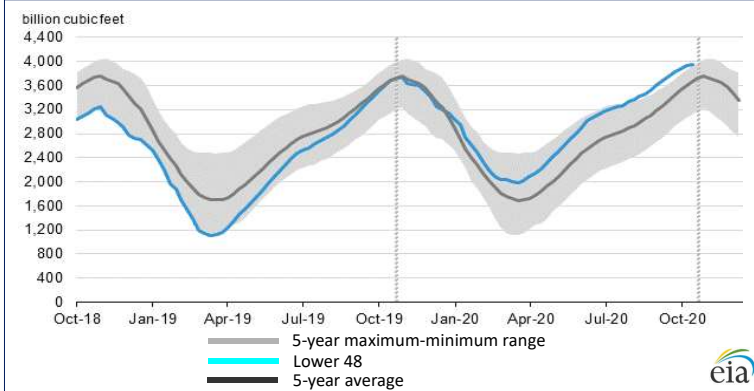
-According to Baker Hughes, for the week ending Tuesday, October 20, the natural gas rig count decreased by 1 to 73. The number of oil-directed rigs rose by 6 to 211. The total rig count increased by 5, and it now stands at 287.

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



Working natural gas in underground storage as of October 23, 2020



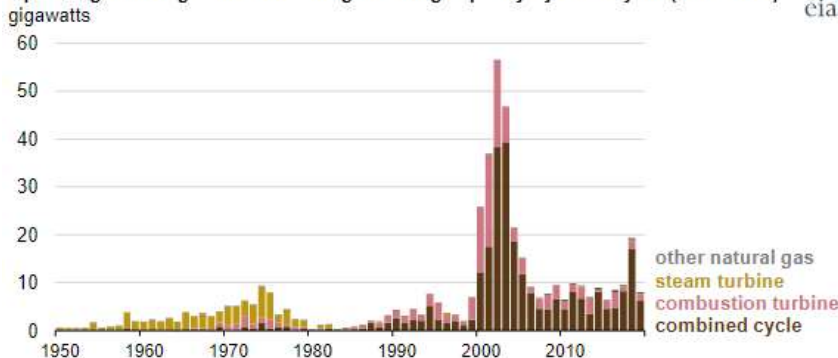
Forward 12-month NYMEX natural gas strip price - Dec20-Nov21:

Process Load-weighted \$3.100/dth - w/o/w = ▼\$0.033
 Typical Heat Load-weighted \$3.195/dth - w/o/w = ▼\$0.046


Natural gas generators make up largest share of US electricity generation capacity:

Natural gas-fired generators accounted for 43% of operating US electricity generating capacity in 2019. These natural gas-fired generators provided 39% of electricity generation in 2019, more than any other source. Most of the natural gas-fired capacity added in recent decades uses combined-cycle technology. Technological improvements have led to improved efficiency of natural gas generators since the mid-1980s, when combined-cycle plants began replacing older, less efficient steam turbines. For steam turbines, boilers combust fuel to generate steam that drives a turbine to generate electricity. Combustion turbines use a fuel-air mixture to spin a gas turbine. Combined-cycle units, as their name implies, combine these technologies: a fuel-air mixture spins gas turbines to generate electricity, and the excess heat from the gas turbine is used to generate steam for a steam turbine that generates additional electricity. The more efficient combustion turbines reduce the amount of natural gas needed to produce the same amount of electricity. Combined-cycle generators consume 80% of the natural gas used to generate electric power but provide 85% of total natural gas-fired electricity. The most recently installed combined-cycle systems are more efficient than the combined-cycle units installed little more than a decade ago. Every US state, except Vermont and Hawaii, has at least one utility-scale natural gas electric power plant.

Operating natural gas-fired electric generating capacity by online year (1950-2019)



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"I prefer to be true to myself, even at the hazard of incurring the ridicule of others, rather than to be false, and to incur my own abhorrence." -Frederick Douglass¹

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¹https://www.brainyquote.com/quotes/frederick_douglass_107739