

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.

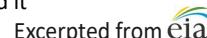
-Net natural gas injections into storage totaled 29 Bcf for the week ending October 23, compared with the five-year (201519) average net injections of 67 Bcf and last year's net injections of 89 Bcf during the same week. Working natural gas stocks totaled 3,955 Bcf, which is 289 Bcf (8%) more than the 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.

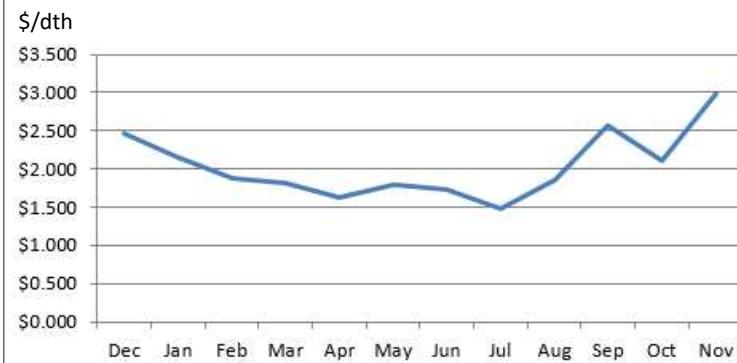
-US LNG exports increased week over week with sixteen LNG vessels with a combined LNG-carrying capacity of 58 Bcf departed the US between October 22 and October 28, 2020, according to data provided by Marine Traffic.

-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.

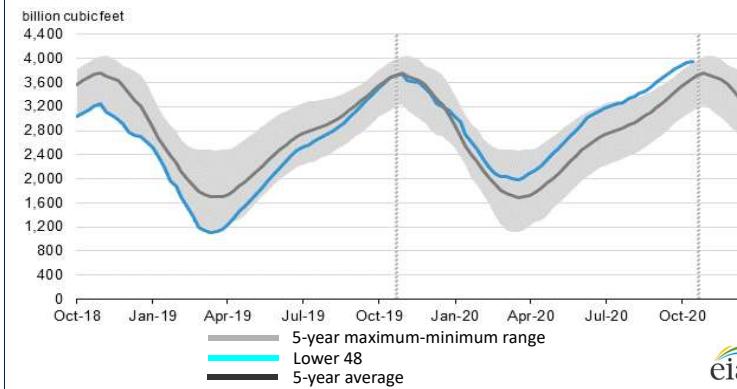
-According to Baker Hughes, for the week ending Tuesday, October 20, the natural gas rig count decreased by 1 to 73. The number of oil-directed rigs rose by 6 to 211. The total rig count increased by 5, and it Now stands at 287.

Excerpted from 

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 = $\text{▼} \$0.033$

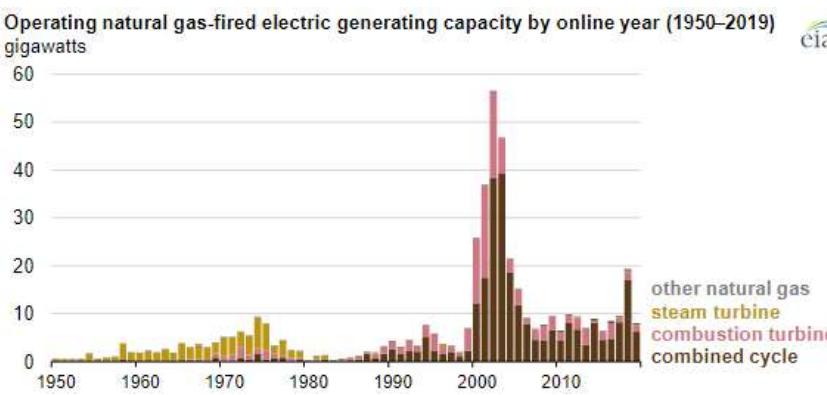
Typical Heat Load-weighted \$3.195/dth - w/o/w = $\text{▼} \$0.046$

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.

Excerpted from 



"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