

Newstracker:

-Natural gas spot prices fell at most locations from Wednesday, October 28 to Wednesday, November 4 (the Report Week). The Henry Hub spot price fell from \$3.06 per million British thermal units (MMBtu) to \$2.60/MMBtu from open to close of the Report Week.


-At the New York Mercantile Exchange (Nymex), the November 2020 natural gas futures contract expired October 28th at \$2.996/MMBtu. The December 2020 contract price decreased to \$3.046/MMBtu, down 25c/MMBtu for the term of this Report Week. The price of the 12-month strip averaging December 2020 through November 2021 futures contracts declined 11c/MMBtu to \$3.001/MMBtu.

-Net natural gas withdrawals from storage totaled 36 Bcf for the week ending October 30, compared with the five-year (2015-19) average net injections of 52 Bcf and last year's net injections of 49 Bcf during the same week. Working natural gas stocks totaled 3,919 Bcf, which is 201 Bcf (5%) more than the five-year average and 200 Bcf (5%) more than last year at this time.

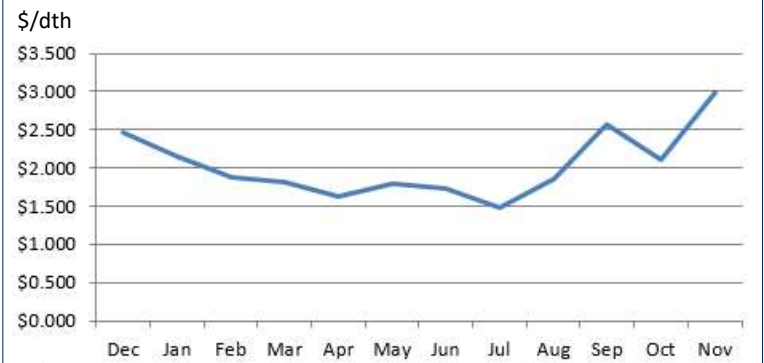
-Total US consumption of natural gas rose by 1.4% compared with the previous Report Week, according to data from IHS Markit. Natural gas consumed for power generation declined by 12.2% week over week. In the residential and commercial sectors, consumption increased by 20.4% amid cooler-than-normal temperatures on the East Coast. Industrial sector consumption increased by 1.4% week over week. Natural gas exports to Mexico decreased 6.9%. Natural gas deliveries to US LNG export facilities averaged a record high of 10.1 Bcf/d, or 1.1 Bcf/d higher than last week.

-US LNG exports increased week over week as twenty-two LNG vessels with a combined LNG-carrying capacity of 82 Bcf departed the US between October 29 and November 4, according to shipping data provided by Bloomberg Finance, L.P.

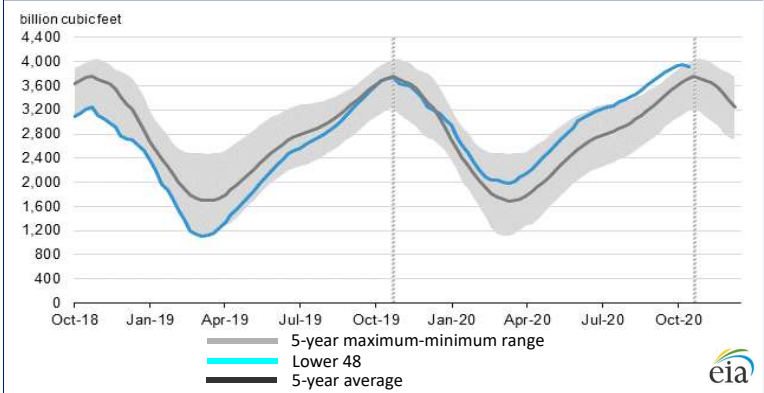
According to Baker Hughes, for the week ending Tuesday, October 27, the natural gas rig count decreased by 1 to 72. The number of oil-directed rigs rose by 10 to 221. The total rig count increased by 9, and it now stands at 296.

Excerpted from 

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



Working natural gas in underground storage as of October 30, 2020



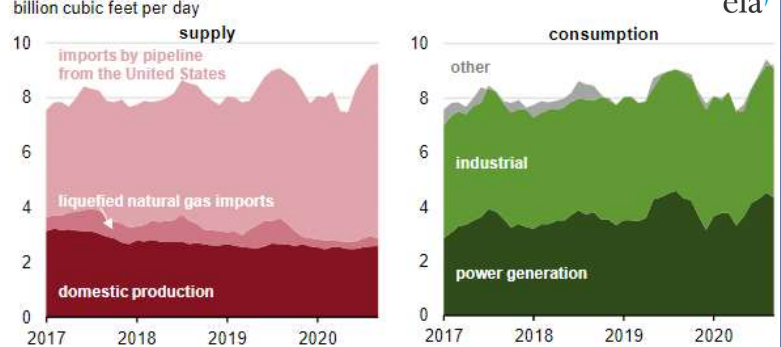
Forward 12-month NYMEX natural gas strip price - Dec20-Nov21:

Process Load-weighted \$3.001/dth - w/o/w = ▼\$0.107
 Typical Heat Load-weighted \$3.050/dth - w/o/w = ▼\$0.156

US natural gas exports to Mexico have increased in the first nine months of 2020:

Mexico has been the largest destination for US natural gas exports since surpassing Canada in 2015. The industrial and electric power sectors accounted for all of the natural gas consumption in Mexico in 2019, with industrial at 54% and electric power at 46% of the total. Natural gas use in both sectors declined earlier this year because of COVID-19. Mexico's total consumption in May 2020 fell to its lowest monthly volume since December 2016. By August 2020, Mexico's natural gas consumption started to recover and surpassed last year's values for the same months. In August, the industrial sector in Mexico consumed an average of 10% more natural gas (4.9 Bcf/d) than in August 2019, and the power sector consumed 5% more. Natural gas is the main fuel used for electricity generation in Mexico: in 2019, 61% of the country's electricity was generated using natural gas. In 2020, even as overall electricity generation has generally remained lower than 2019 levels, Mexico's natural gas-fired generation of electricity has increased slightly and offset lower generation levels from other sources such as fuel oil and coal. US natural gas pipeline exports to Mexico averaged 5.1 Bcf/d and accounted for 61% of the country's natural gas supply in 2019. A new segment on the Wahalajara pipelines was completed in June 2020, and US natural gas exports by pipeline to Mexico rose to 5.9 Bcf/d from July through September, an increase of 0.8 Bcf/d compared with the 2019 average.

Mexico monthly natural gas balance (Jan 2017–Sep 2020)



Excerpted from 

“I’m an actor - it’s not brain surgery. If I do my job right, people won’t ask for their money back.” -Sean Connery¹