

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, February 3 to Wednesday, February 10 (the Report Week) in response to a prolonged cold-weather trend developing across most Lower 48 states. Below-freezing temperatures are forecast as far south as the Gulf coast. The Henry Hub spot price rose from \$2.91 per million British thermal units (MMBtu) to \$3.68/MMBtu from open to close of the Report Week.


-At the New York Mercantile Exchange (NYMEX), the price of the March 2021 natural gas futures contract increased 12¢, from \$2.789/MMBtu to \$2.911/MMBtu during the Report Week term. The price of the 12-month strip averaging March 2021 through February 2022 futures contracts climbed 10¢/MMBtu to \$3.037/MMBtu.

-Net natural gas withdrawals from storage totaled 171 Bcf for the week ending February 5, compared with the five-year (2016-2021) average net withdrawals of 125 Bcf and last year's net withdrawals of 121 Bcf during the same week. Working natural gas stocks totaled 2,518 Bcf, which is 152 Bcf (6%) more than the five-year average and 9 Bcf lower than last year at this time.

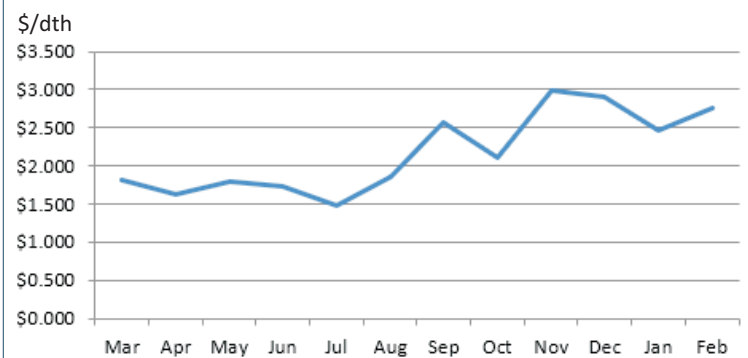
-Natural gas demand rises driven by demand for space heating. Total US consumption of natural gas rose by 3.6% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation declined by 2.5% week over week. In the residential and commercial sectors, consumption increased by 7.9%. Industrial sector consumption increased by 3.2% week over week. Natural gas exports to Mexico increased 3.5%. Natural gas deliveries to US LNG export facilities averaged 11.0 Bcf/d, or 0.13 Bcf/d higher than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 10¢/MMBtu, averaging \$7.41/MMBtu for the week ending February 10. The price of natural gasoline rose by 3%. The prices of propane fell by 4% in response to lower export demand, and ethane, butane, and isobutane all fell by 1%.

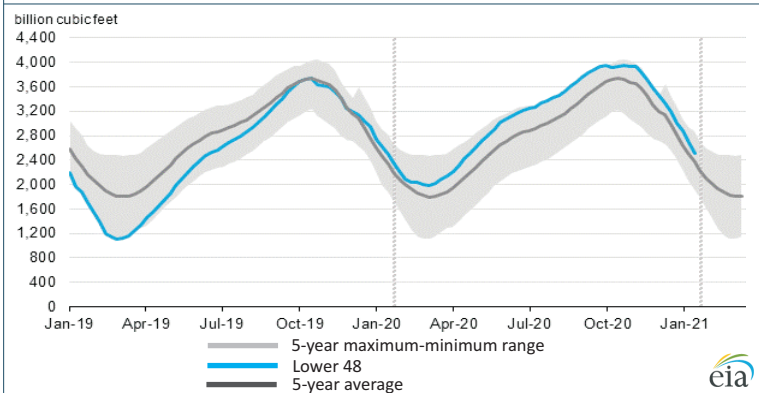
-According to Baker Hughes, for the week ending Tuesday, February 2, the natural gas rig count increased by 4 to 92. The number of oil-directed rigs rose by 4 to 299. The total rig count increased by 8, and it now stands at 392.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Mar 2020 - Feb 2021:



Working natural gas in underground storage as of February 5, 2021



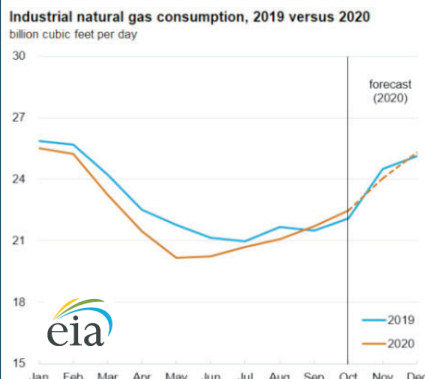
Forward 12-month NYMEX natural gas strip price - Mar21-Feb22:


Process Load-weighted \$3.037/dth - w/o/w = ▲\$0.104
 Typical Heat Load-weighted \$3.084/dth - w/o/w = ▲\$0.102

US industrial sector natural gas consumption returns to pre-first quarter 2020 levels:

Industrial natural gas consumption in September and October 2020 exceeded consumption in those months in 2019. October 2020 consumption of 22.5 billion cubic feet per day (Bcf/d) was the highest of any October going back to 2001. Comparatively, for the first eight months of 2020, industrial consumption of natural gas remained lower than 2019 levels. In the first quarter of 2020, industrial natural gas consumption was lower than first-quarter 2019 by about 0.6 Bcf/d. Some of this comparative decline in industrial natural gas consumption was the result of warmer-than-

normal weather, along with March being the beginning of efforts to mitigate the spread of COVID-19 in the US. A slowing locked-down economy contributed to an overall decrease in industrial output in the second quarter of 2020. Since April 2020, increases in industrial activity have contributed to an increase in industrial natural gas consumption. Not all industries are recovering at the same rate, according to the Federal Reserve's Industrial Production data. The production index for the entire industrial sector (including lease and plant fuel) fell by 16% from January 2020 to April 2020. The index for chemicals, a natural-gas-intensive industry, had less of an initial decrease (6%), and returned to January 2020 levels by the end of 2020. However, the production index for primary metals (which is less natural gas intensive) fell initially by 28% and isn't forecast to return to January 2020 levels until after 2022. Quicker recovery in industries that consume more natural gas allowed total industrial natural gas consumption to return to first quarter 2020 levels in the final months of 2020, even as total industrial output has not.



Excerpted from 

"Of several remedies, the physician should choose the least sensational." -Hippocrates¹