

## Newstracker:

-Natural gas spot prices fell at most locations from Wednesday, February 17 to Wednesday, February 24 (the Report Week) as temperatures across most of the Lower 48 states returned to normal or above-normal and heating and electricity demand declined from record-setting levels. The Henry Hub spot price fell from \$23.61 per million British thermal units (MMBtu) to \$2.75/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (NYMEX), the March 2021 natural gas futures contract expired 2-24-21 at \$2.854/MMBtu, down 37¢/MMBtu from the previous Wednesday. The April 2021 contract price decreased to \$2.795/MMBtu, down 24¢/MMBtu for the Report Week. The price of the 12-month strip averaging April 2021 through March 2022 futures contracts declined 18¢/MMBtu to \$2.964/MMBtu.

-Net natural gas withdrawals from storage totaled 338 Bcf for the week ending February 19, compared with the five-year average net withdrawals of 120 Bcf and last year's net withdrawals of 145 Bcf during the same week. Working natural gas stocks totaled 1,943 Bcf, which is 161 Bcf (8%) lower than the 5-year average and 298 Bcf (13%) lower than last year at this time.

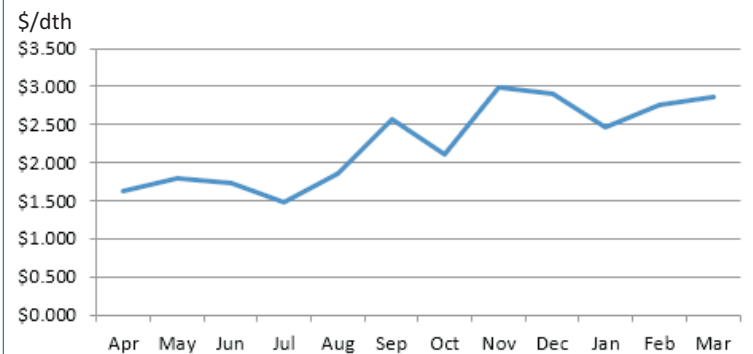
-Total US consumption of natural gas fell by 20.8% compared with the previous Report Week. Consumption in the residential and commercial sectors declined by an estimated 28.1%, or 17.65 Bcf/d, the highest weekly decline on record. Natural gas consumed for power generation declined by 16.1%. Industrial sector consumption decreased by 9.9% week over week. Natural gas exports to Mexico increased 0.7%. Natural gas deliveries to US LNG export facilities averaged 7.4 Bcf/d, or 1.2 Bcf/d higher than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 26¢/MMBtu, averaging \$7.92/MMBtu for the week ending February 24. The price of ethane fell by 14%, reflecting declines in natural gas prices to which ethane prices are most closely correlated. Average weekly propane spot prices rose 10%, reflecting the highest weekly levels since October 2018. The prices of natural gasoline, normal butane, and isobutane rose by 7%, 5%, and 7%, respectively.

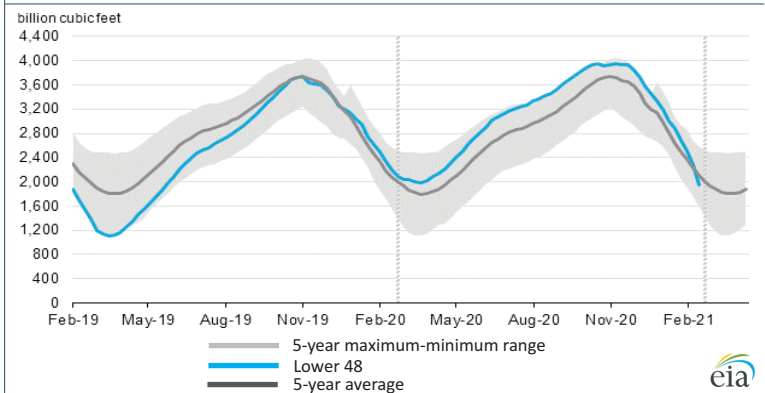
-According to Baker Hughes, for the week ending Tuesday, February 16, the natural gas rig count increased by 1 to 91. The number of oil-directed rigs fell by 1 to 305. The total rig count stayed at 397.

Excerpted from 

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



## Working natural gas in underground storage as of February 19, 2021

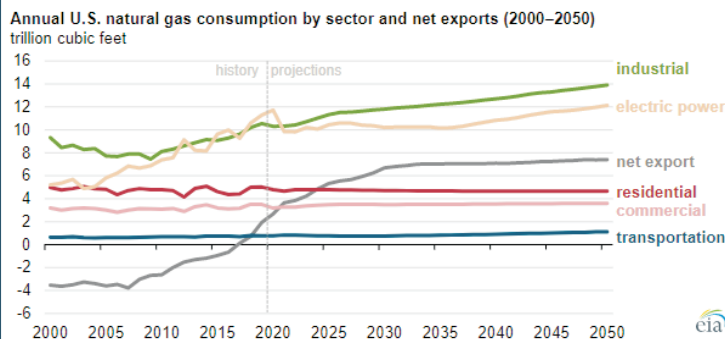


## Forward 12-month NYMEX natural gas strip price - Mar21-Feb22:

Process Load-weighted \$2.964/dth - w/o/w = ▼\$0.182  
 Typical Heat Load-weighted \$3.020/dth - w/o/w = ▼\$0.174

## Growing industrial consumption and exports support future US natural gas market growth:

The US Energy Information Administration (EIA) projects that US natural gas consumption between 2020 and 2050 will be driven by exports and industrial use, and that consumption growth from the other sectors will increase slowly or stay flat. EIA forecasts production to increase to 43.0 trillion cubic feet (Tcf) in 2050 as consumption increases to 35.7 Tcf. EIA expects natural gas prices will remain low compared with historical levels, and that low price will drive increased production, with exports rising as production outpaces consumption. With economic growth driving US industrial output, natural gas consumption by the industrial sector will increase by 35% from 2020 to 2050 and account for more than 75% of the growth in consumption from all sectors during that period. Relatively low natural gas prices drive a growing US chemicals industry, the largest domestic natural gas-consuming industry because it uses natural gas as a raw material (feedstock) as well as for heat and power. Natural gas consumption in the US power sector in 2050 will increase 4% from 2020. In 2020, natural gas consumption in the power sector increased by 4% from 2019 to 11.7 Tcf because of relatively low natural gas prices and COVID-19-related disruptions in the power sector's coal supplies. Amid higher natural gas prices in 2021, EIA projects that consumption of natural gas by the power sector will decrease by 16% to 9.9 Tcf. Natural gas consumption will then increase slowly until 2027 because of projected growth in natural gas-fired generation and because of new, more energy-efficient combined-cycle turbine systems. These systems limit growth in power consumption because they use less fuel to produce each kilowatt hour of electricity than older combined-cycle units.



Excerpted from 

“Remember there’s no such thing as a small act of kindness. Every act creates a ripple with no logical end.” -Scott Adams<sup>1</sup>

This newsletter is provided to you for informational purposes only. The Legacy Energy Group, LLC makes no representations or warranties concerning the accuracy of the information contained herein and assumes no liability for any errors or omissions in the content herein. It is not intended to provide advice or recommendation. The Legacy Energy Group, LLC is a Virginia limited liability company with offices in Virginia and Michigan, and serves clients throughout the United States and Canada.

©1999-2021 The Legacy Energy Group, LLC

<sup>1</sup>[https://www.brainyquote.com/quotes/scott\\_adams\\_387182](https://www.brainyquote.com/quotes/scott_adams_387182)