

## Newstracker:

-Natural gas spot prices fell at most locations from Wednesday, March 3 to Wednesday, March 10 (the Report Week) in response to warmer-than-normal temperatures across the Lower 48 states. The Henry Hub spot price fell from \$2.84 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 price of the April 2021 natural gas futures contract decreased 12¢, from \$2.816/MMBtu to \$2.692/MMBtu during the Report Week term. The price of the 12-month strip averaging April 2021 through March 2022 futures contracts declined 10¢/MMBtu to \$2.890/MMBtu.

-Net natural gas withdrawals from storage totaled 52 Bcf for the week ending March 5, compared with the five-year (2016-2021) average net withdrawals of 89 Bcf and last year's net withdrawals of 72 Bcf during the same week. Working natural gas stocks totaled 1,793 Bcf, which is 141 Bcf (7%) lower than the five-year average and 257 Bcf (13%) lower than last year at this time.

-Natural gas demand declined for the week as residential/commercial consumption fell to its lowest level for the same week since 2016. Total US consumption of natural gas fell by 4.8% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation declined by 2.9% week over week. Industrial sector consumption decreased by 0.8% week over week. In the residential and commercial sectors, consumption declined by 9.0% as warmer-than-average temperatures across most of the country depressed space heating demand. Natural gas exports to Mexico increased 3.4%. Natural gas deliveries to US LNG export facilities averaged 10.6 Bcf/d; 0.87 Bcf/d higher than last week.

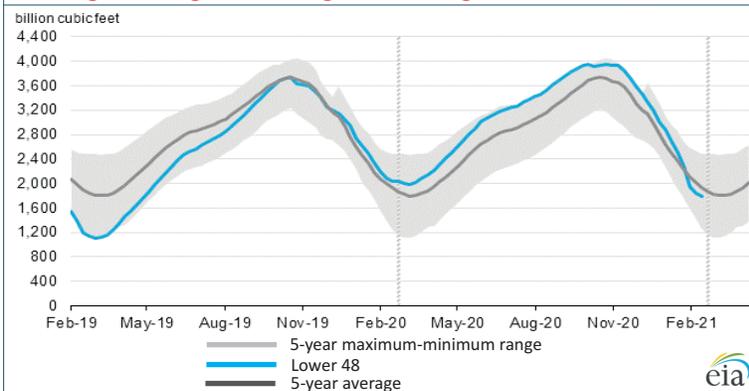
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 6¢/MMBtu, averaging \$7.97/MMBtu for the week ending March 10. The price of ethane fell 3%. Propane, butane, and isobutane fell by 1%, 1%, and 5%, respectively, as heating- and gasoline-blending seasons wind to a close. The price of natural gasoline rose by 5%.

-As of Tuesday, March 2, the natural gas rig count remained flat at 92. Oil-directed rigs rose by 1 to 310. Miscellaneous rig count remained at 1. Total rig count increased by 1, and it now stands at 403. Excerpted from 

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



## Working natural gas in underground storage as of March 5, 2021



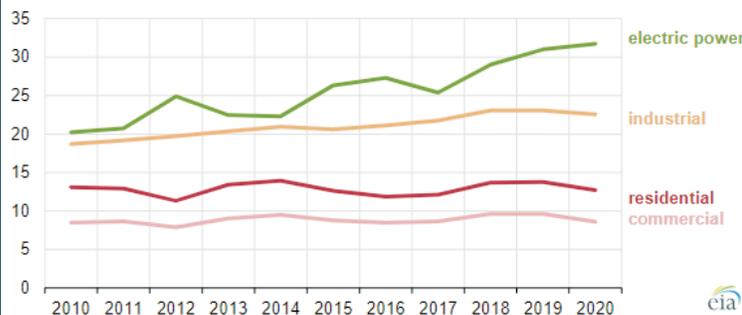
## Forward 12-month NYMEX natural gas strip price - Apr21-Mar22:

Process Load-weighted \$2.890/dth - w/o/w = ▼\$0.098  
Typical Heat Load-weighted \$2.950/dth - w/o/w = ▼\$0.091

## US natural gas consumption was lower in 2020 in all sectors except electric power:

US natural gas end-use deliveries in 2020 decreased in three out of four consuming sectors relative to 2019. Despite mild winter weather and the economic effects of COVID-19, the second-highest annual amount of natural gas was delivered in the US to end users in 2020, second only to deliveries in 2019. The electric power sector consumed the most natural gas of any sector in 2020, a 2% increase from the previous year. Lower natural gas prices made natural gas more competitive in the electric power sector, especially compared with coal. Natural gas-fired generation replaced much of the lost generation from coal plant retirements in recent years, making natural gas the largest input fuel for power generation nationally. Natural gas accounted for nearly 40% of all power generation in 2020, accounting for more generation than coal and nuclear, the next two largest sources, combined. US industrial consumption of natural gas decreased 2% in 2020. Industrial natural gas consumption has increased in 8 out of the past 10 years because of growth in dry natural gas production and relatively low natural gas prices. Weather patterns have been the primary drivers of residential and commercial natural gas consumption volumes in the US. Economic patterns also affect US commercial natural gas consumption. The winter months of 2020 (January-March 2020 and November-December 2020) were milder than the previous two winters in the US, resulting in less heating demand. Natural gas consumption in the commercial sector, which includes restaurants, hotels, and schools, decreased by 11%. A small amount of end-use deliveries of natural gas go to the US vehicle fuel sector, representing about 0.2% of total deliveries in 2020. Excerpted from 

Annual U.S. natural gas end-use deliveries by sector (2010–2020)  
billion cubic feet per day



“Tell me and I forget. Teach me and I remember. Involve me and I learn.” -Benjamin Franklin<sup>1</sup>