

Newstracker:

-Natural gas spot prices fell at most locations Wednesday, March 17 to Wednesday, March 24 (the Report Week), as heating demand continues to decline and dry natural gas production reaches the highest level since the first week of January. The Henry Hub spot price fell from \$2.51/MMBtu to \$2.45/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 1¢, from \$2.528/MMBtu last Wednesday to \$2.518/MMBtu yesterday. The price of the 12-month strip averaging April 2021 through March 2022 futures contracts climbed 2¢/MMBtu to \$2.750/MMBtu.

-Net natural gas withdrawals from storage totaled 36 Bcf for the week ending March 19, compared with the five-year average net withdrawals of 51 Bcf and last year's net withdrawals of 26 Bcf during the same week. Working natural gas stocks totaled 1,746 Bcf, which is 78 Bcf (4%) lower than the five-year average and 263 Bcf (13%) lower than last year at this time.

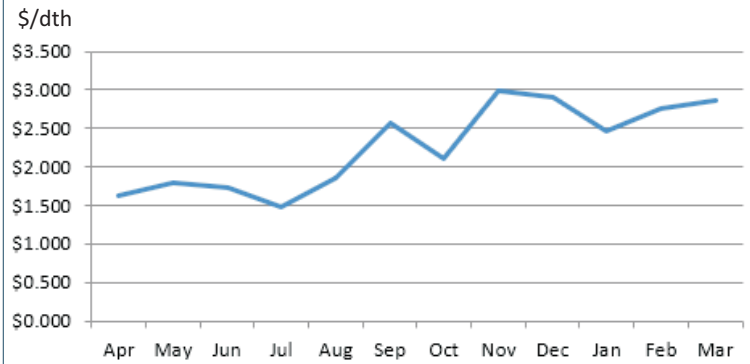
-US natural gas demand continues to decline as the heating season comes to a close. Total consumption of natural gas fell by 5.6% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation declined by 2.7% week over week. In the residential and commercial sectors, consumption declined by 12.9%. Industrial sector consumption increased by 0.1% week over week. Natural gas exports to Mexico increased 6.1%. Natural gas deliveries to US LNG export facilities averaged 11.6 Bcf/d, or 0.58 Bcf/d higher than last week.

-The natural gas plant liquids (NGPL) composite price at Mont Belvieu, Texas, fell by 44¢/MMBtu, or 5.6%, averaging \$7.46/MMBtu for the week ending March 24, mirroring a 5.6% decline in West Texas Intermediate (WTI) crude oil prices for the same week. s

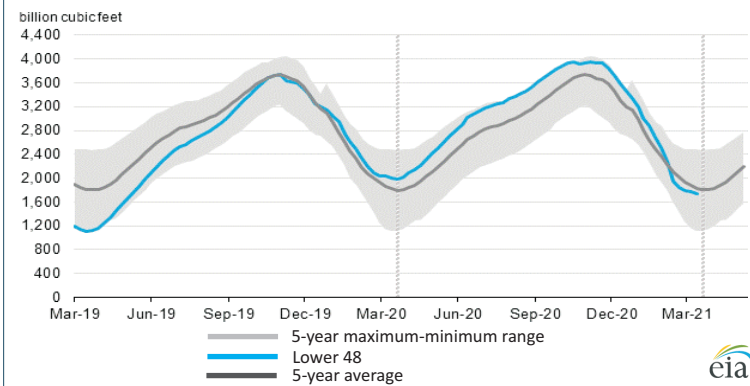
-According to Baker Hughes, for the week ending Tuesday, March 16, the natural gas rig count remained flat at 92. The number of oil-directed rigs rose by 9 to 318. Oil-directed rigs have reached the highest level since the first week of May 2020. The total rig count increased by 9, and it now stands at 411.

Excerpted from 

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



Working natural gas in underground storage as of March 19, 2021



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

Process Load-weighted \$2.750/dth - w/o/w = ▲\$0.015
 Typical Heat Load-weighted \$2.822/dth - w/o/w = ▲\$0.016


US LNG exports exceed natural gas exports by pipeline:

Monthly US exports of liquefied natural gas (LNG) exceeded natural gas exports by pipeline by nearly 1.2 billion cubic feet per day (Bcf/d) in November 2020. Previously, this has happened only once since 1998, when in April 2020, LNG exports barely exceeded pipeline exports that month by 0.01 Bcf/d. Preliminary estimates for December 2020 and January 2021, based on the shipping data provided by Bloomberg Finance, L.P., suggest

U.S. monthly natural gas pipeline and LNG exports (Jan 2016–Dec 2022)
 billion cubic feet per day



a continuation of this trend. In November and December 2020, U.S. LNG exports set two consecutive monthly records at 9.4 Bcf/d and 9.8 Bcf/d, respectively, and set another monthly record in January 2021 at 9.8 Bcf/d. Since November 2020, all six US LNG export facilities have been operating near full design capacity. From November 2020 through January 2021, monthly U.S. LNG export volumes were almost three times higher than the monthly export volumes in the summer months of 2020. The recent significant increase in US LNG exports has been driven by rising international natural gas and LNG prices, as well as reduced global LNG supply caused by unplanned outages at several LNG export facilities worldwide. US gross exports by pipeline to Mexico and Canada also grew in 2020, running 3% higher than during the same period in 2019. Although pipeline exports to Canada declined by 5% in the first 11 months of 2020, U.S. pipeline exports to Mexico grew during the same period once the final segment of the pipeline system connecting the U.S. Permian Basin (Waha region) in West Texas with Mexico's central-western Guadalajara region was brought online.

Excerpted from 

“I’m sure you have arguments with your friends, but they don’t get printed up and magnified in the papers.” -Dickey Betts¹