

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, March 24 to Wednesday, March 31 (the Report Week). The Henry Hub spot price rose from \$2.45/MMBtu to \$2.49/MMBtu during the Report Week term.

-At the New York Mercantile Exchange (NYMEX), the April 2021 natural gas futures contract expired Monday, March 29th at \$2.586/MMBtu, up 7¢/MMBtu from March 24th. The May 2021 contract price increased to \$2.608/MMBtu, up 4¢/MMBtu for the Report Week. The price of the 12-month strip averaging May 2021 through April 2022 futures contracts climbed 4¢/MMBtu to \$2.782/MMBtu.

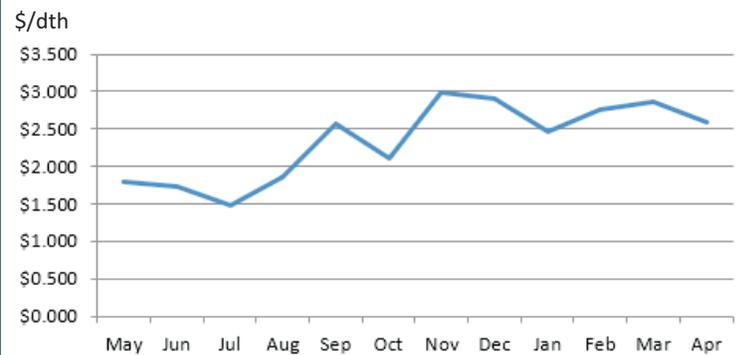
-Net natural gas injections into storage totaled 14 Bcf for the week ending March 26, compared with the five-year (2016-2021) average net withdrawals of 24 Bcf and last year's net withdrawals of 20 Bcf during the same week. Working natural gas stocks totaled 1,764 Bcf, which is 36 Bcf (2%) lower than the five-year average and 225 (11%) Bcf lower than last year at this time.

-Total US consumption of natural gas fell by 6.0% compared with the previous Report Week, according to data from IHS Markit. Natural gas consumed for power generation climbed 1.4% week over week. Industrial sector consumption decreased 1.9% week over week. The largest decrease in consumption came from the residential and commercial sectors, where consumption declined by 17.1% due to above-average temperatures and low heating demand. Natural gas exports to Mexico increased 2.6%. Natural gas deliveries to US LNG export facilities matched last week's level of 11.6 Bcf/d.

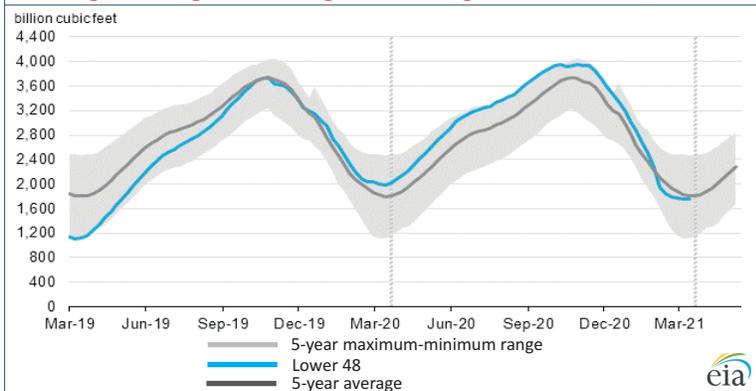
-The natural gas plant liquids (NGPL) composite price at Mont Belvieu, Texas, rose by 5¢/MMBtu, averaging \$7.51/MMBtu for the week ending March 31. Similar to average weekly crude oil prices, which remained flat week over week, NGPL prices moved within a narrow band. The prices of natural gasoline, ethane, propane, and butane all rose by 1%. The price of isobutane remained flat week over week.

-According to Baker Hughes, for the week ending Tuesday, March 23, the natural gas rig count remained flat at 92. The number of oil-directed rigs rose by 6 to 324. The number of oil-directed rigs for the last week of March was 144 higher than for the last week of July 2020. This increase is consistent with rising crude oil prices, which rose from an average of \$42.83/barrel in July 2020 to an average of \$66.65/barrel in March 2021. Excerpted from 

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



Working natural gas in underground storage as of March 26, 2021

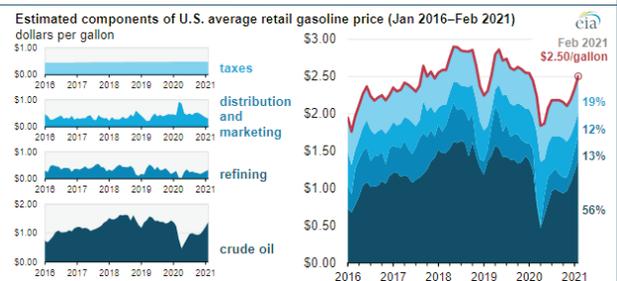


Forward 12-month NYMEX natural gas strip price - May21-Apr22:

Process Load-weighted \$2.782/dth - w/o/w = ▲\$0.038
 Typical Heat Load-weighted \$2.853/dth - w/o/w = ▲\$0.037

US gasoline prices have been rising with crude oil prices:

US retail gasoline prices averaged \$2.85/gal on Monday, March 29, having generally increased since reaching a multiyear low of \$1.77/gal in late April 2020, primarily because of higher crude oil prices and higher wholesale gasoline margins according to the US Energy Information Administration (EIA). Prior to this week's small decline, US gasoline prices increased for 17 consecutive weeks, marking the longest consecutive streak of price increases since 1994. Gasoline prices in the US are primarily driven by four components: crude oil prices, refining costs, retail distribution and marketing costs, and taxes. Because gasoline taxes and retail distribution costs generally remain stable, changes in gasoline prices are primarily the result of changes in crude oil prices and refining costs. Crude oil prices have been steadily increasing since reaching multiyear lows in 2020. Brent crude oil prices averaged \$43/b in Nov. 2020 and have since increased to an average of \$67/b in March. Because a barrel contains 42 gallons, the price of petroleum products changes by 2.4 cents per gallon when the price of crude oil changes by a dollar per barrel, all else remaining equal. Refining margins have been steadily increasing since late 2020, as estimated by the difference between refiners' acquisition cost of crude oil and wholesale gasoline prices. Estimated US average wholesale gasoline margins increased from an average of 18 cents/gal in November 2020 to 33 cents/gal in February 2021. Differences in regional petroleum markets and state and local taxes lead to varied gasoline prices across the US. Each Monday, EIA surveys gasoline prices for 10 US cities, 9 states, 4 subregions, and 5 regions, in addition to providing a national average. Retail gasoline prices in 4 of the 10 cities in EIA's survey are already more than \$3/gal. Seattle's gasoline price surpassed \$3/gal in late February 2021. Chicago's did the same in mid-March. Both of the California cities in EIA's survey Los Angeles and San Francisco have had gasoline prices above \$3/gal throughout 2021. Excerpted from 



"I never subscribe to the stay-at-home policy. I'm not sick of the road or sick of eating in good restaurants around the country. I like to travel." -Levon Helm¹

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

¹https://www.brainyquote.com/quotes/levon_helm_367285