

Newstracker:

-Natural gas spot prices rose at most locations for the Report Week of Wednesday, April 14 to Wednesday, April 21. The Henry Hub spot price rose from \$2.60/MMBtu to \$2.65/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (NYMEX), the price of the May 2021 natural gas futures contract increased 7¢ to \$2.692/MMBtu at Report Week close. The price of the 12-month strip averaging May 2021 through April 2022 futures contracts climbed 6¢/MMBtu to 2.899/MMBtu.

-Net natural gas injections into storage totaled 38 Bcf for the week ending April 16, compared with the five-year (2016-2020) average net injections of 37 Bcf and last year's net injections of 47 Bcf during the same week. Working natural gas stocks totaled 1,883 Bcf, which is 12 Bcf (1%) more than the five-year average and 251 Bcf (12%) lower than last year at this time.

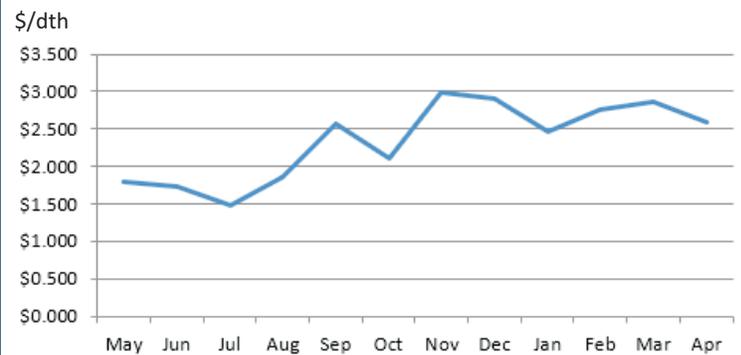
-Total US consumption of natural gas rose by 9.8% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 2% week over week. Industrial sector consumption increased by 3.8% week over week. In the residential and commercial sectors, consumption increased by 29.6% as cooler temperatures in most of the country resulted in increased heating demand. Natural gas exports to Mexico decreased 5.5% from last week's record-high levels but still exceeded 6 Bcf/d. Natural gas deliveries to US LNG export facilities remained above 11 Bcf/d this Report Week, averaging 11.6 Bcf/d, or 0.54 Bcf/d higher than last week.

-The natural gas plant liquids (NGPL) composite price at Mont Belvieu, Texas, fell by 25¢/MMBtu, averaging \$6.87/MMBtu for the week ending April 21. Propane and butane led the NGPL price decline. The average weekly price of propane fell 8% week over week. US propane consumption also declined last week. The prices of natural gasoline and ethane rose by 3% and 1%, respectively, as recovery in the petrochemical sector continues following winter storm disruptions that shuttered a large share of capacity in February.

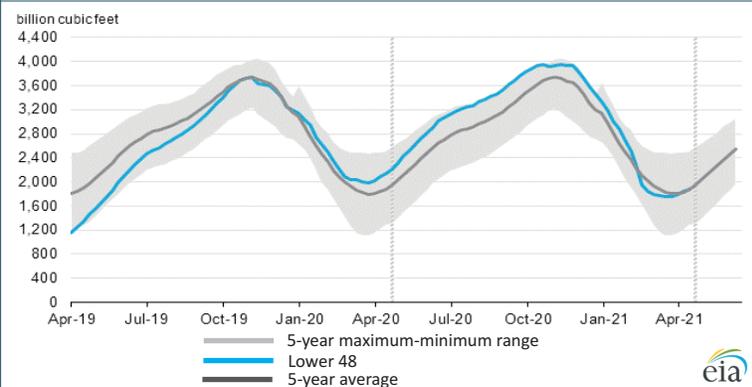
-According to Baker Hughes, for the week ending Tuesday, April 13, the natural gas rig count increased by 1 to 94. The number of oil-directed rigs rose by 7 to 344. The total rig count increased for the fifth week in a row, up by 7 from the previous week, and it now stands at 439, the highest level since the first week of May 2020.

Excerpted from 

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



Working natural gas in underground storage as of April 16, 2021



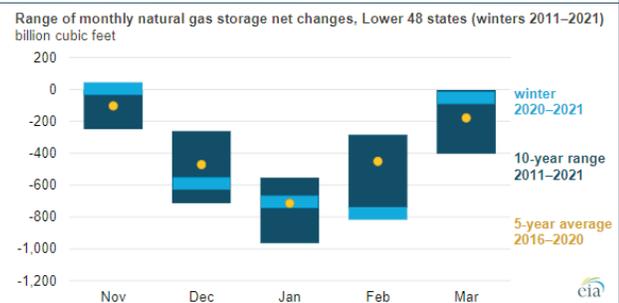
Forward 12-month NYMEX natural gas strip price - May21-Apr22:

Process Load-weighted \$2.899/dth - w/o/w = ▲\$0.064
 Typical Heat Load-weighted \$2.976/dth - w/o/w = ▲\$0.060

Last winter saw larger-than-average US natural gas withdrawals from storage:

Significantly colder-than-normal temperatures in the Lower 48 states in late January through mid-February resulted in increased heating demand for natural gas, despite an otherwise warmer-than-normal winter. As a result, the winter had larger-than-average winter natural gas withdrawals. Before the cold snap, winter temperatures had been relatively mild, but a combination of increased heating demand, record LNG and pipeline exports, and decreased natural gas production contributed to the withdrawal activity during February. Working natural gas in storage in the Lower 48 states as of March 31, 2021, the traditional end of the heating season that began November 1, 2020, totaled 1,778 Bcf, 1.4% less than the five-year (2016-20) average for the end of the heating season. Net withdrawals from working natural gas inventories during the 2020-21 heating season exceeded the five-year average by 10.6%. Monthly net withdrawals of natural gas in the Lower 48 states in February totaled 778 Bcf, the largest amount of natural gas withdrawn during February since 2011. The withdrawal exceeded the five-year February average by 328 Bcf. Net withdrawals from working natural gas during February accounted for 37% of all withdrawals from natural gas storage during the 2020-21 heating season, compared with 24% during the previous five heating seasons. A record amount of natural gas, 156 Bcf, was withdrawn during the week of February 19 in the South Central region, which includes Texas. At the beginning of the US heating season, natural gas in storage was 178 Bcf more than the average storage level of the previous five years. This surplus grew to 285 Bcf by the end of November amid mild temperatures. Increased heating demand during December and January narrowed the surplus, and extreme cold temperatures and rapid rate of withdrawals in February created the first deficit to the five-year average since November 2019.

Excerpted from 



“It is difficult to get a man to understand something when his salary depends upon his not understanding it.” -Upton Sinclair¹