

Newstracker:

-Natural gas spot price movements were mixed from Wednesday, April 28 to Wednesday, May 5 (the Report Week), reflecting highly variable temperatures across the country at the end of the report week. The Henry Hub spot price rose from \$2.93/MMBtu to \$2.97/MMBtu from open to close of the Report Week.

-The May 2021 NYMEX natural gas futures contract expired Wednesday, April 28 at \$2.925/MMBtu. The June 2021 contract price decreased to \$2.938/MMBtu, down 2¢/MMBtu for the Report Week term. The price of the 12-month strip averaging June 2021 through May 2022 futures contracts declined 1¢/MMBtu to \$2.977/MMBtu.

-Net natural gas net injections into storage totaled 60 Bcf for the week ending April 30, compared with the five-year (2016-2020) average net injections of 81 Bcf and last year's net injections of 103 Bcf during the same week. Working natural gas stocks totaled 1,958 Bcf, which is 61 Bcf (3%) lower than the five-year average and 345 Bcf (15%) lower than last year at this time.

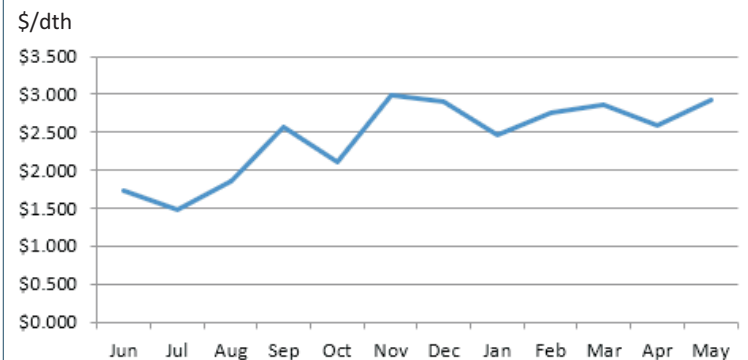
-Total US consumption of natural gas rose by 0.4% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 4.1% week over week, as temperatures were warmer than normal for most of the country, increasing cooling demand. Industrial sector consumption decreased by 3.3% week over week. In the residential and commercial sectors, consumption declined slightly by 0.4%. Natural gas exports to Mexico decreased 0.5%. Natural gas deliveries to US LNG export facilities exceeded 11 Bcf/d again this week, averaging 11.2 Bcf/d, or 0.13 Bcf/d lower than last week.

-The natural gas plant liquids (NGPL) composite price at Mont Belvieu, Texas, rose by 46¢/MMBtu, averaging \$7.66/MMBtu for the week ending May 5. NGPL prices are following crude oil prices higher. Average weekly Brent crude oil spot prices rose 4% week over week, to \$68.09/b, exceeding the \$68.00/b level for only the second time this year.

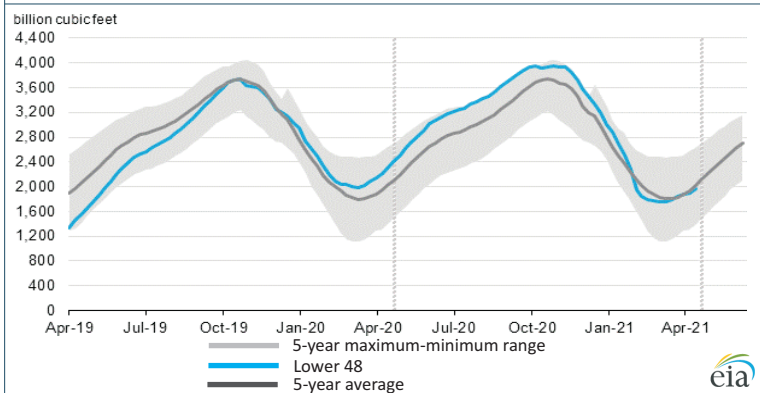
-According to Baker Hughes, for the week ending Tuesday, April 27, the natural gas rig count increased by 2 to 96. The number of oil-directed rigs fell by 1, to 342. The total rig count increased by 2, and it now stands at 440, the highest total in over a year.

Excerpted from 

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



Working natural gas in underground storage as of April 30, 2021



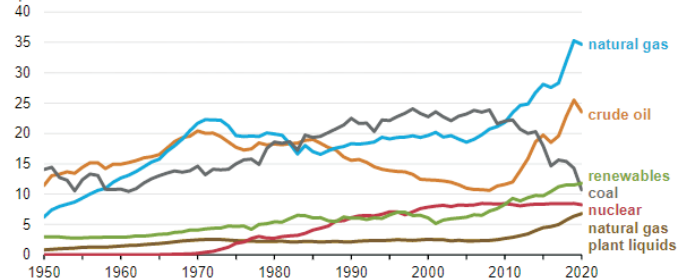
Forward 12-month NYMEX natural gas strip price - Jun21-May22:


Process Load-weighted \$2.990/dth - w/o/w = ▼\$0.013
 Typical Heat Load-weighted \$3.057/dth - w/o/w = ▼\$0.011

Energy production in the US fell by more than 5% in 2020:

In 2020, US energy production fell to just below 96 quadrillion British thermal units (quads), down more than 5% from 2019's record high. In absolute terms, the drop from 101.3 quads in 2019 to 95.8 quads in 2020 marked the largest annual decrease in US energy production on record. To calculate US energy production and to compare different types of energy reported in different physical units (such as barrels, cubic feet, tons, kilowatthours, etc.), energy sources are converted to common units of heat, called British thermal units (Btu). A fossil fuel equivalence is used to calculate electricity consumption of noncombustible renewables such as wind, hydro, solar, and geothermal. Between 2019 and 2020, US coal production fell by 25% to less than 11 quads, its largest annual decrease on record. US coal production in 2020 was less than half what it was at its peak in 1998 because natural gas and renewable sources increased their shares in the electricity generation mix over the years, displacing coal. US crude oil production fell by 8% in 2020 after reaching a record high in 2019. US natural gas dry production increased in eight of the previous nine years and hit a record high in 2019. It decreased by 0.6 quads, or 2%, in 2020. Production of natural gas plant liquids, a byproduct of natural gas production, increased by 7% in 2020. US renewable energy production increased by 2% between 2019 and 2020 to a record-high 11.8 quads in 2020, primarily because of increased electricity generation from wind and solar. In 2019, US renewable energy production surpassed US coal production for the first time. US wind energy production increased by 14% to 3 quads, and solar energy production grew by 23% to 1.2 quads. Hydroelectric and geothermal energy production stayed flat, while biomass production, including biofuels and wood, declined by 8%.

U.S. total energy production by source (1950-2020)
quadrillion British thermal units



Excerpted from 

“Work is like old age: the worst thing in the world except for the alternative.” -Anonymous