

Newstracker:

-Natural gas spot prices rose at most locations the Report Week of Wednesday, June 2 to Wednesday, June 9), as significantly warmer-than-normal temperatures across most of the country, aside from the West Coast, increased air conditioning demand, which resulted in high natural gas demand for power generation. The Henry Hub spot price rose from \$3.05/MMBtu to \$3.10/MMBtu from Report Week open to close.


-The price of the July 2021 NYMEX natural gas futures contract increased 5¢, from \$3.075/MMBtu to \$3.129/MMBtu for the Report Week. The price of the 12-month strip averaging July 2021 through June 2022 futures contracts climbed 6¢/MMBtu to \$3.108/MMBtu.

-Net natural gas injections into storage totaled 98 Bcf for the week ending June 4, compared with the five-year (2016-2020) average net injections of 92 Bcf and last year's net injections of 95 Bcf during the same week. Working natural gas stocks totaled 2,411 Bcf, which is 55 Bcf (2%) lower than the five-year average and 383 Bcf (14%) lower than last year at this time.

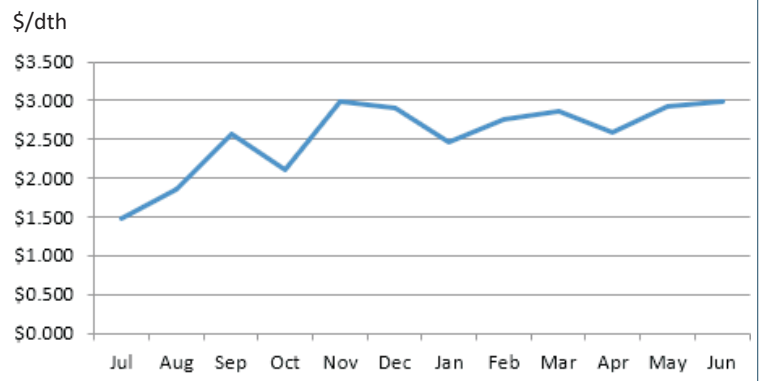
-Total US natural gas consumption rose by 6.4% compared with the previous Report Week. Natural gas consumed for power generation climbed by 27.0% w/o/w as much higher-than-normal temperatures in the midwestern and eastern US increased demand for cooling. Industrial sector consumption decreased by 2.8% week over week. Residential and commercial sectors combined consumption declined by 25.8% as demand shifted to the electric power sector for cooling. Natural gas exports to Mexico decreased 1.0%. Natural gas deliveries to US LNG export facilities averaged 9.4 Bcf/d, or 1.50 Bcf/d lower than the previous Report Week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, the main pricing and storage hub for hydrocarbon gas liquids on the Gulf Coast, rose by 30¢/MMBtu, averaging \$8.25/MMBtu for the week ending June 9.

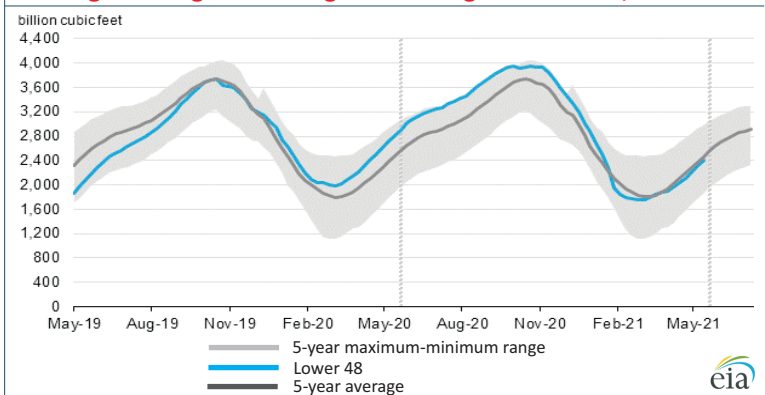
-According to Baker Hughes, for the week ending Tuesday, June 1, the natural gas rig count decreased by 1, falling for the fourth straight week, and now stands at 97. The number of oil-directed rigs remained constant at 359. The total rig count decreased by 1, and it now stands at 456.

Excerpted from 

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



Working natural gas in underground storage as of June 4, 2021

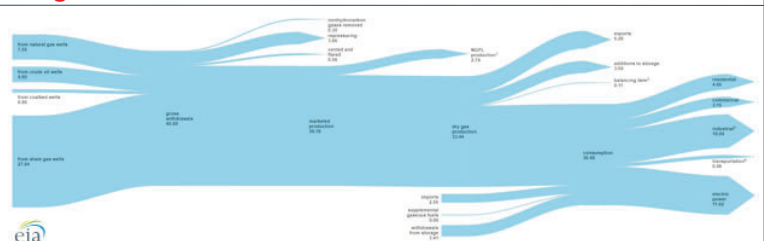


Forward 12-month NYMEX natural gas strip price - Jul21-Jun22:

Process Load-weighted \$3.108/dth - w/o/w = ▲ \$0.058
 Typical Heat Load-weighted \$3.200/dth - w/o/w = ▲ \$0.062

In 2020, natural gas exports and natural gas for electricity reached record highs:

In 2020, both natural gas consumption by the US electric power sector and natural gas exports reached record highs, despite a 2% annual decline in domestic dry natural gas production. Natural gas consumption in the US electric power sector grew to a record-high 11.6 Tcf in 2020, up 3% compared with 2019, and is the only sector that increased its natural gas consumption in 2020. Natural gas has become an increasingly important source of energy for US electricity over the past several years. Natural gas has remained the primary source of electricity generation in the US since it surpassed coal in 2016. More than 100 coal plants have been replaced with or converted to natural gas since 2011. US natural gas exports increased to a record-high 5.3 Tcf in 2020, up 13% compared with 2019. US exports of natural gas have grown substantially over the past decade, and in 2017, exports surpassed imports of natural gas for the first time since 1957. About 55% of US natural gas exports in 2020 were sent by pipeline to Mexico and Canada. Most of the rest was shipped overseas as liquefied natural gas (LNG). Mexico receives more US natural gas exports than any other country, and US natural gas exports to Mexico reached a record high in 2020. US LNG exports also increased to a record high in 2020, and almost half went to Asia. Natural gas imports in 2020 decreased to their lowest level since 1993. Nearly all US natural gas imports originate from Canada. US dry natural gas production in 2020 decreased 2% compared with 2019, in part because of warmer weather, lower natural gas prices, and economic impacts. Natural gas production in the US has generally increased over the past decade because of widespread adoption of horizontal drilling and hydraulic fracturing techniques.



<https://www.eia.gov/totalenergy/data/flow-graphs/natural-gas.php>
 <<click above to link to expanded view>>

Excerpted from 

“Duty, Honor, Country. Those three hallowed words reverently dictate what you ought to be, what you can be, what you will be.” -Douglas MacArthur¹

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¹https://www.brainyquote.com/quotes/douglas_macarthur_390657