

## Newstracker:

-Natural gas spot prices were mixed for the Report Week of Wednesday, May 26 to Wednesday, June 2, during which the Henry Hub spot price rose from \$2.88/MMBtu to \$3.05/MMBtu.

-The June 2021 NYMEX natural gas futures contract expired May 26<sup>th</sup> at \$2.984/MMBtu. The July 2021 contract price increased to \$3.075/MMBtu, up 5¢/MMBtu for the Report Week. The 12-month strip averaging July 2021 through June 2022 futures contracts climbed 5¢/MMBtu to \$3.049/MMBtu.

-Net natural gas injections into storage totaled 98 Bcf for the week ending May 28, compared with the five-year average net injections of 96 Bcf and last year's net injections of 103 Bcf during the same week. Working natural gas stocks totaled 2,313 Bcf, which is 61 Bcf (3%) lower than the five-year average and 386 Bcf (14%) lower than last year at this time.

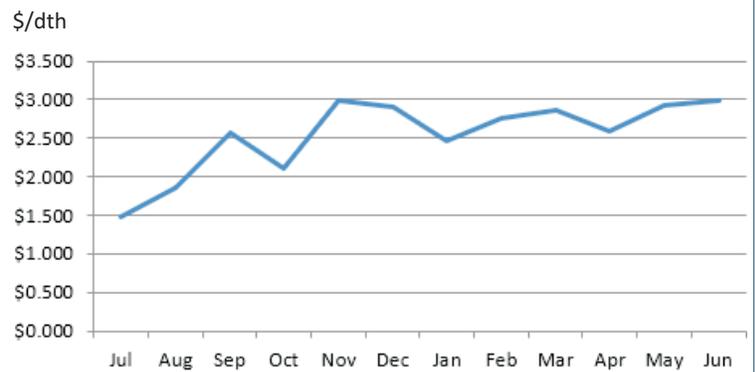
-Total US consumption of natural gas rose by 0.7% compared with the previous Report Week, according to data from IHS Markit. Natural gas consumed for power generation declined by 8.0% week over week. Industrial sector consumption increased by 2.7% week over week. In the residential and commercial sectors, consumption increased by 24.0% as Memorial Day weekend temperatures in the Midwest and Northeast were much lower than normal. Natural gas exports to Mexico increased 3.8%. Natural gas deliveries to US LNG export facilities increased 0.42 Bcf/d.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 38¢/MMBtu, averaging \$7.95/MMBtu for the week ending June 2. The weekly average price of ethane increased 3%. The price of propane rose 7%, as continuing strong exports and high domestic consumption (reported as product supplied) keep inventory builds below seasonal averages for this time of year. The prices of normal butane, isobutane, and natural gasoline rose by 4%, 5%, and 4%, respectively, in line with rising Brent crude oil prices, which rose by 4% week over week.

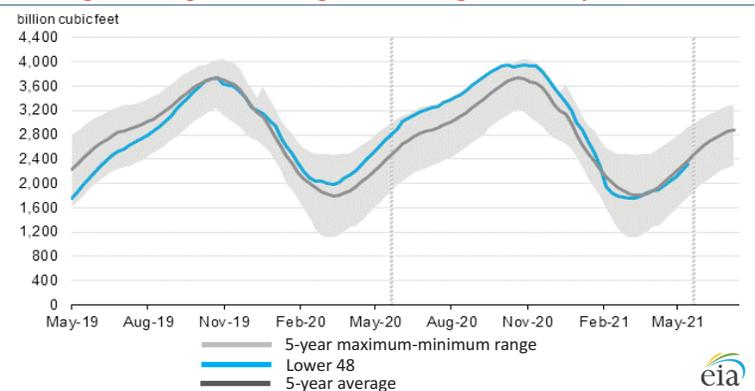
-According to Baker Hughes, for the week ending Tuesday, May 25, the natural gas rig count decreased by 1 to 98, which is 22 rigs above the same week last year. The number of oil-directed rigs rose by 3 to 359, marking an increase for the fourth week in a row to the highest level since the last week of April 2020. The total rig count increased by 2, and it now stands at 457.

Excerpted from eia

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



## Working natural gas in underground storage as of May 28, 2021

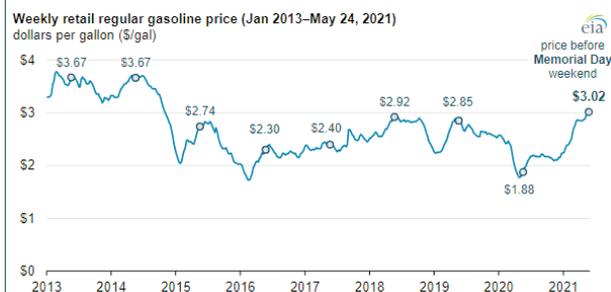


## Forward 12-month NYMEX natural gas strip price - Jul21-Jun22:

Process Load-weighted \$3.049/dth - w/o/w = ▲ \$0.045  
 Typical Heat Load-weighted \$3.137/dth - w/o/w = ▲ \$0.044

## US average gasoline prices before Memorial Day were the highest since 2014:

The average retail price for regular gasoline in the US on May 24, the Monday before the Memorial Day weekend, was \$3.02/gal, the highest gasoline price before Memorial Day since 2014. The average US gasoline price on May 24 was \$1.14/gal higher than a year ago. The American Automobile Association (AAA) expected more than 37 million people to take trips over the Memorial Day weekend, traveling 50 miles or more from home between May 27 and May 31. Of those 37 million people, AAA forecasted 34 million of them to travel primarily by car, as opposed to planes, trains, or other travel modes. This automotive travel total marks a 52% increase from Memorial Day 2020, when only 23 million people traveled by automobile, the fewest since 2000, when AAA began estimating holiday travel. Rising vaccinations and the gradual recovery in overall US economic activity since the beginning of 2021 has contributed to increases in US gasoline demand. However, refinery production of gasoline has not kept up with increasing US gasoline demand because of unplanned



refinery and pipeline disruptions in recent months, which have contributed to rising retail gasoline prices. Gasoline prices in some US markets have been more than \$3.00/gal for several weeks. California's average price was \$4.01/gal as of May 24. Washington State's average gasoline price has been more than \$3.00/gal since early March 2021 and most recently averaged \$3.44/gal. West Coast states tend to have higher gasoline prices because of the region's limited connection with other major refining centers, tight local supply and demand conditions, and more environmentally stringent gasoline specifications. Conversely, Texas continues to have among the lowest gasoline prices in the US, recently averaging \$1.72/gal. Texas produces a relatively high amount of gasoline because it has more crude oil production and operating petroleum refining capacity than any other state, as well as relatively low state gasoline taxes.

Excerpted from eia

“Don’t fall in love with the man, fall in love with the message.” -Kwame Brown