

Newstracker:

-Natural gas spot price movements were mixed from Wednesday, July 14 to Wednesday, July 21 (the Report Week), during which the Henry Hub spot price rose from \$3.75/MMBtu to \$3.91/MMBtu.


-The price of the August 2021 NYMEX natural gas futures contract increased 30¢, from \$3.660/MMBtu to \$3.959/MMBtu for the Report Week term. The price of the 12-month strip, averaging August 2021 through July 2022 futures contracts, climbed 22¢/MMBtu to \$3.693/MMBtu.

-Net natural gas injections into storage totaled 49 Bcf for the week ending July 16, compared with the five-year (2016-2020) average net injections of 36 Bcf and last year's net injections of 38 Bcf during the same week. Working natural gas stocks totaled 2,678 Bcf, which is 176 Bcf (6%) lower than the five-year average and 532 Bcf (17%) lower than last year at this time.

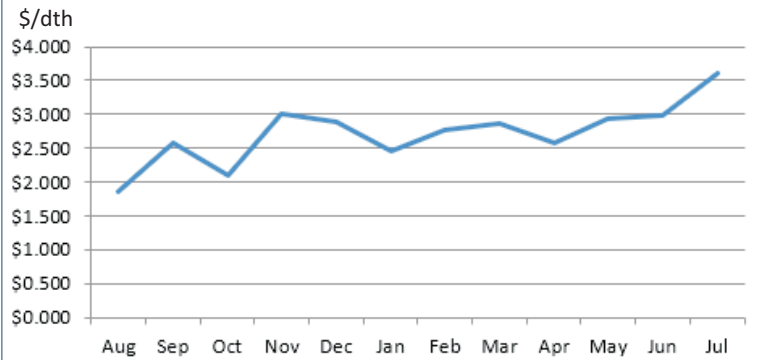
-Total U.S. consumption of natural gas rose by 1.5% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 3.3% w/o/w as much of the West and Northern Plains continued to experience higher-than-normal temperatures. Industrial sector consumption decreased by 1.0% w/o/w. Residential and commercial consumption fell 0.2%. Natural gas exports to Mexico decreased 2.3% to average 6.3 Bcf/d. Natural gas deliveries to US LNG export facilities averaged 10.4 Bcf/d, or 0.33 Bcf/d lower w/o/w.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 10¢/MMBtu, averaging \$9.23/MMBtu for the week ending July 21. This price drop followed declines in weekly average crude oil prices, which fell 6% week over week. Propane prices fell 1%, a smaller decline than the decrease in the crude oil price, and current propane inventories are now at the bottom of the five-year range for this week of the year. Normal butane and isobutane prices fell by 2% and 1%, respectively. Natural gasoline prices, which most closely follow crude oil prices, fell 4%. Ethane prices rose 2%, supported by rising prices of ethylene, which had a 4% price increase w/o/w.

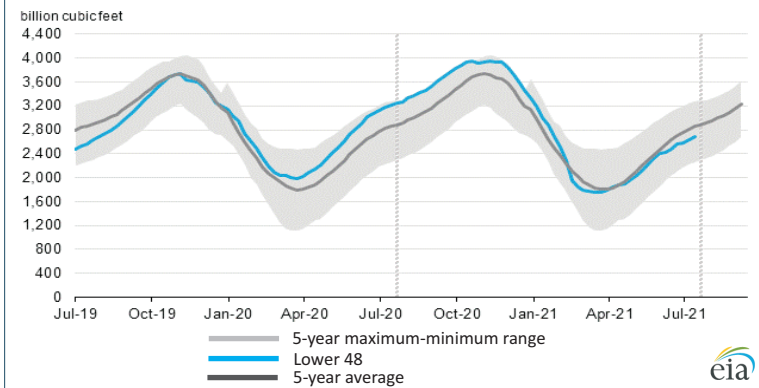
-According to Baker Hughes, for the week ending Tuesday, July 13, the natural gas rig count increased by 3 to 104, with the largest gains in the Eagle Ford play in South Texas. The number of oil-directed rigs rose by 2 to 380, led by a gain of 3 rigs in Wyoming offset by declines elsewhere. The total rig count increased by 5, and it now stands at 484.

Excerpted from 

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



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




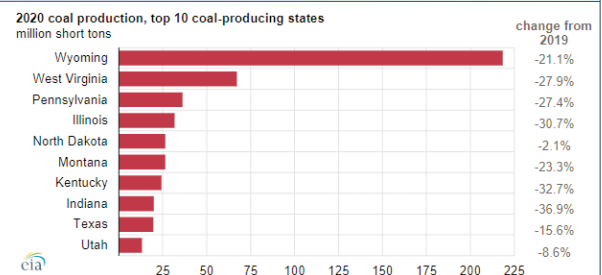
Forward 12-month NYMEX natural gas strip price - Aug21-Jul22:

Process Load-weighted \$3.693/dth - w/o/w = ▲ \$0.215
 Typical Heat Load-weighted \$3.844/dth - w/o/w = ▲ \$0.223

In 2020, US coal production fell to its lowest level since 1965:

US coal production decreased 24% in 2020 and accounted for the lowest level of coal production in the US in any year since 1965. The decline is largely the result of less demand for coal internationally and less US electric power sector demand for coal. Lower natural gas prices made coal less competitive for power generation. US coal-fired generation fell 20% from 2019. Natural gas prices started 2020 relatively low because mild winter weather led to less natural gas demand for space heating, and prices remained low as the economic effects of the COVID-19 pandemic reduced both natural gas production and consumption. US coal exports were 26% lower in 2020 than they were in 2019. Slowing global demand and pandemic response measures led to the idling of many US coal mines, resulting in a significant decrease in coal exports beginning in April 2020. The Clean Air Act of 1970 restricted sulfur emissions from new coal-fired power plants. One way for coal plants to meet the emissions regulations was to use subbituminous coal, which has a lower sulfur content than other coal types. This change, along with the oil shortages and the resulting high oil prices of the 1970s that made coal more economical, contributed to the expansion of mining and the development of large, open-pit coal mines in the Powder River Basin (located in Northeast Wyoming and Southeast Montana), where the majority of subbituminous coal in the US is found. Today, the Powder River Basin accounts for approximately 43% of all coal produced in the US. More coal is produced in Wyoming, representing 41% of US coal production in 2020, than in any other state. Coal production in Wyoming was 21% lower in 2020 than it was in 2019. Coal production in West Virginia, the state with the second-most coal output, fell by an even larger share than Wyoming in 2020, declining 28% from 2019. West Virginia is a primary producer of metallurgical coal, which is used to produce coke, the primary fuel for steelmaking. US metallurgical coal exports dropped 20% in 2020.

Excerpted from 



“It is the nature of the wise to resist pleasures, but the foolish to be a slave to them.” -Epictetus¹