

Newstracker:


-Natural gas spot price movements were mixed from Wednesday, July 21 to Wednesday, July 28 (the Report Week), during which the Henry Hub spot price rose from \$3.91/MMBtu to \$4.05/MMBtu.

-The August 2021 NYMEX natural gas futures contract expired on July 28th at \$4.044/MMBtu, up 8¢/MMBtu from the previous Report Week and topped \$4.00/MMBtu for the fourth time this month. The September 2021 NYMEX contract price increased to \$3.967/MMBtu, up 3¢/MMBtu w/o/w. The price of the 12-month strip averaging September 2021 through August 2022 futures contracts climbed 6¢/MMBtu to \$3.685/MMBtu.

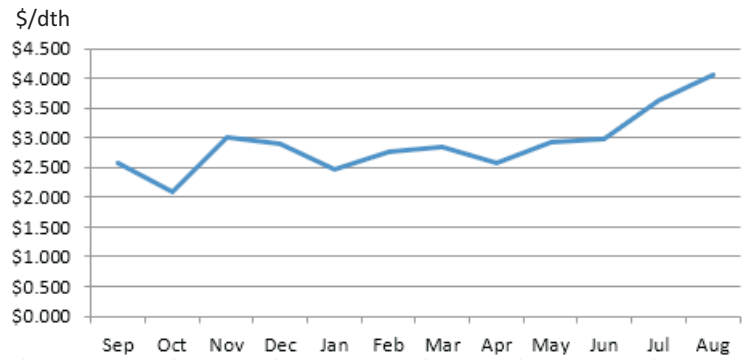
-Net natural gas injections into storage totaled 36 Bcf for the week ending July 23, compared with the five-year (2016-2020) average net injections of 28 Bcf and last year's net injections of 27 Bcf during the same week. Working natural gas stocks totaled 2,714 Bcf, which is 168 Bcf (6%) lower than the five-year average and 523 Bcf (16%) lower than last year at this time.

-Total US consumption of natural gas rose by 3.6% compared with the previous Report Week's increase of 1.5%, according to data from IHS Markit. Natural gas consumed for power generation climbed by 5.8% w/o/w, nearly matched by a 5.7% increase in residential and commercial consumption. Maximum temperatures continued to be higher than normal across parts of the western and northern US. Industrial sector consumption is the only sector that decreased in the past week, by 1.3%. Natural gas exports to Mexico were the same as last week. Natural gas deliveries to US LNG export facilities were 0.31 Bcf/d higher than last week.

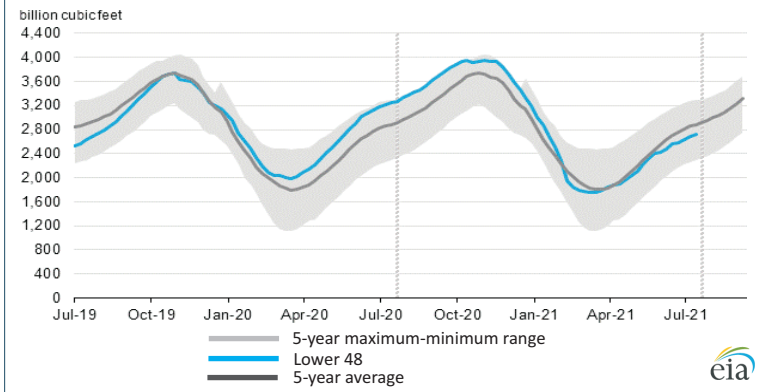
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 21¢/MMBtu, averaging \$9.44/MMBtu for the week ending July 28. Ethane prices rose 4%, which was less than the 7% natural gas price increase at the Houston Ship Channel, narrowing the ethane premium to natural gas by 9% on a heat-value parity. Propane prices remained relatively unchanged as strong production was balanced by elevated exports. Normal butane prices rose 4%, and isobutane and natural gasoline prices rose 3%, following the 3% increase in Brent crude oil prices.

-According to Baker Hughes, for the week ending July 20, the natural gas rig count remained flat at 104. The number of oil-directed rigs rose by 7 to 387, increasing by 7 the total rig count, which now stands at 491. Excerpted from 

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



Working natural gas in underground storage as of July 23, 2021



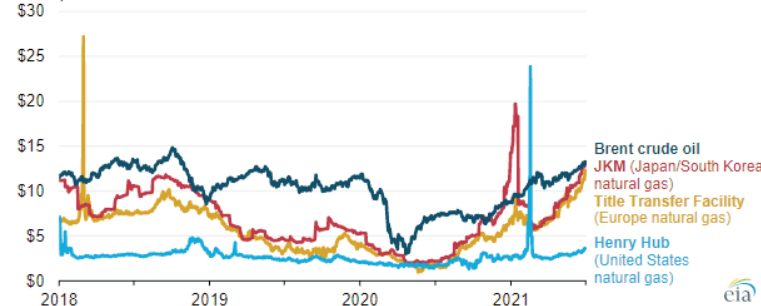
Forward 12-month NYMEX natural gas strip price - Sep21-Oct22:


Process Load-weighted \$3.754/dth - w/o/w = ▲ \$0.060

US LNG natural gas exports grew to record highs in the first half of 2021:

US LNG exports increased 42% from January-June 2021 as compared with the same period in 2020. During the summer months of 2020, US LNG exports fell to record lows, but they set consecutive record highs in November and December. Exports increased in the first half of this year as international natural gas and LNG spot prices increased in Asia and Europe due to cold weather and rising demand. The US Henry Hub natural gas benchmark and US LNG spot market prices have been lower than prices for international natural gas and spot LNG this year. This price difference has supported record volumes of LNG exports. LNG exports also increased because of new US export capacity added in 2020. Similar to 2020, Asia remained the top destination for US LNG exports from January through May in 2021, accounting for 46% of the total. Asia was followed by Europe, which had a five-month average share of 37%. Exports to Latin America also increased, particularly to Brazil, which is experiencing its worst drought in more than 90 years. In June, US LNG exports declined slightly, mainly as a result of maintenance on several pipelines that deliver natural gas to LNG export facilities. LNG exports are forecast to remain at high levels in the remaining months of this year.

Daily crude oil, natural gas, and liquefied natural gas spot prices (Jan 1, 2018–Jun 30, 2021)
dollars per million British thermal units



Excerpted from 

“There’s a fine line between fishing and standing on the shore like an idiot” -Steven Wright¹

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¹https://www.brainyquote.com/quotes/steven_wright_105995