

## Newstracker:

-Natural gas spot prices fell at most locations for the Report Week of Wednesday, August 11 to Wednesday, August 18, during which the Henry Hub spot price fell from \$4.07/MMBtu to \$3.86/MMBtu.


-The price of the September 2021 NYMEX natural gas futures contract decreased 21¢ for the Report Week, from \$4.059/MMBtu to \$3.852/MMBtu. The price of the 12-month strip averaging September 2021 through August 2022 futures contracts declined 15¢/MMBtu to \$3.668/MMBtu.

-Net natural gas injections into storage totaled 46 Bcf for the week ending August 13, compared with the five-year (2016-2020) average net injections of 42 Bcf and last year's net injections of 45 Bcf during the same week. Working natural gas stocks totaled 2,822 Bcf, which is 174 Bcf (6%) lower than the 5-year average and 547 Bcf (16%) lower than last year at this time.

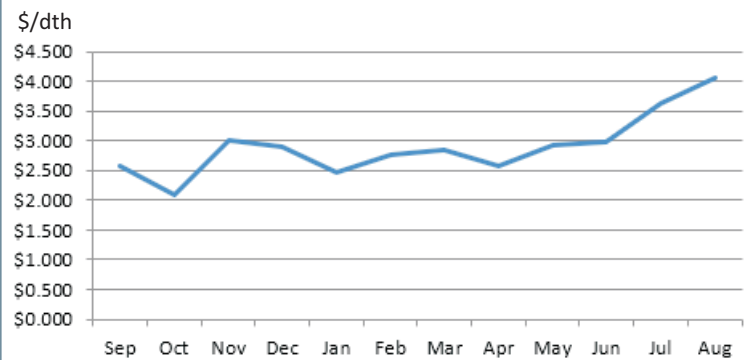
-Total US consumption of natural gas fell by 0.2%, or 0.1 Bcf/d, compared with the previous report week, according to data from IHS Markit. Natural gas used in power generation and the residential and commercial sectors decreased 0.2% and 1.0%, respectively, even with above-average temperatures across the West. Industrial sector consumption increased by 0.3% week over week. Natural gas pipeline exports to Mexico decreased 3.6% or 0.2 Bcf/d, and natural gas deliveries to US LNG export facilities increased to an average of 10.7 Bcf/d, or 0.90 Bcf/d higher than last week, leading to overall natural gas demand increasing by 0.6% or 0.6 Bcf/d.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 22¢/MMBtu, averaging \$9.83/MMBtu for the week ending August 18. Propane prices, which rose 5%, are now at their highest level since February 2014. On a heat-content equivalent basis (\$/MMBtu) propane prices rose above Brent crude oil and are at a 5% premium to crude oil, the widest such premium since October 2017. Normal butane and isobutane prices also remain elevated, increasing 4% and 5%, respectively. Natural gasoline and ethane prices each fell 2%.

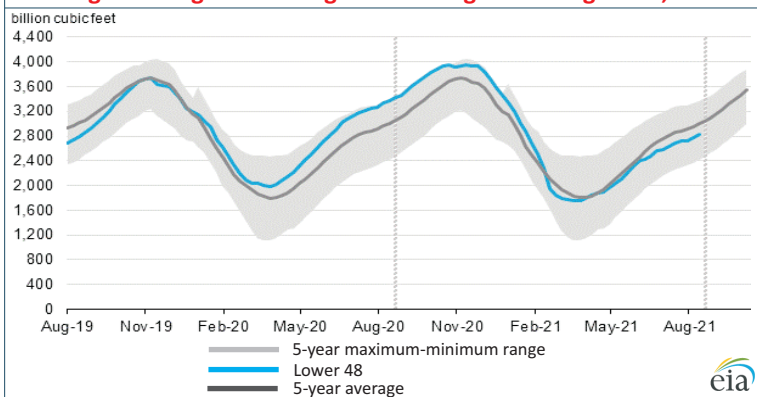
According to Baker Hughes, for the week ending Tuesday, August 10, the natural gas rig count decreased by 1 to 102. The number of oil-directed rigs rose by 10. The total rig count increased by 9, and it now stands at 500.

Excerpted from 

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



## Working natural gas in underground storage as of August 13, 2021

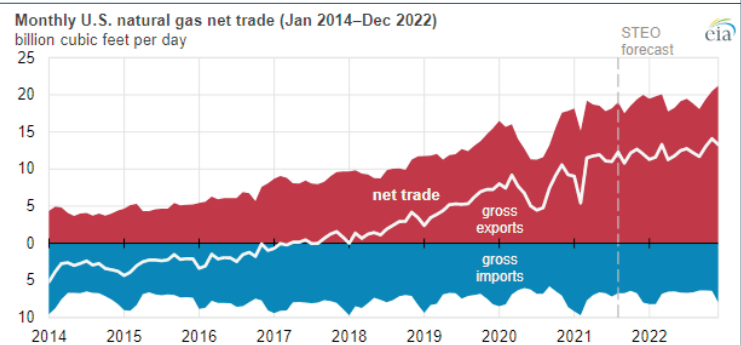



## Forward 12-month NYMEX natural gas strip price - Sep21-Aug22:

Process Load-weighted \$3.668/dth - w/o/w = ▼\$0.152  
Heat Load-weighted \$3.839/dth - w/o/w = ▼\$0.173

## US natural gas net trade is growing as annual LNG exports exceed pipeline exports:

In the August 2021 Short-Term Energy Outlook (STEO), the US Energy Information Administration (EIA) forecasts that US natural gas exports will exceed natural gas imports by almost 50% more than in 2020. Increases in liquefied natural gas (LNG) exports and in pipeline exports to Mexico are driving this growth in US natural gas exports. For the first time since US LNG exports from the Lower 48 states began in 2016, annual LNG exports are expected to outpace pipeline exports by an estimated 0.6 Bcf/d this year. The EIA expects US natural gas exports to continue to grow throughout 2021 and 2022, exceeding the record of 14.4 Bcf/d set in 2020. LNG exports exceeded pipeline exports for the first time on a monthly basis in November 2020 and are expected to exceed natural gas imports by pipeline in 2021. In 2020, natural gas exports accounted for 23% of total US energy exports in energy equivalent terms. US LNG exports have grown as the US has added LNG export capacity and expanded its LNG export destinations. EIA forecasts that US imports of natural gas by pipeline and as LNG, combined, in 2021 to increase by 6% compared with 2020. Almost all US natural gas imports enter the US from Canada into midwestern and western demand markets. US pipeline imports previously had been declining annually since 2008. However, pipeline imports of natural gas are expected to increase in 2021 because of relatively flat US dry natural gas production and slightly higher US natural gas consumption. Natural gas exports by pipeline almost all of which are sent to Mexico began exceeding gross pipeline imports on an annual basis in 2019, and are expected to continue to do so through 2022.



Excerpted from 

“Statistics are like bikinis. What they reveal is suggestive, but what they conceal is vital.” -Aaron Levenstein<sup>1</sup>