

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, September 8 to Wednesday, September 15 (the Report Week), during which the Henry Hub spot price rose from \$4.78/MMBtu to \$5.60/MMBtu, reflecting a tightening natural gas market. Prices are also rapidly rising internationally. Bloomberg Finance, L.P. reports swap prices for October LNG cargos in East Asia rose to a weekly average of \$18.69/MMBtu this Report Week, exceeding the previous record set in January of this year. At the Title Transfer Facility (TTF) in the Netherlands, prices averaged \$17.96/MMBtu this report week, the highest weekly average on record going back to September 2007, up \$2.56/MMBtu from \$15.40/MMBtu last week. In the same week last year average prices in East Asia and at TTF were \$4.34/MMBtu and \$3.11/MMBtu.

-The price of the October 2021 NYMEX natural gas futures contract increased 55¢, from \$4.914/MMBtu to \$5.460/MMBtu for the Report Week. The price of the 12-month strip averaging October 2021 through September 2022 futures contracts climbed 35¢/MMBtu to \$4.669/MMBtu.

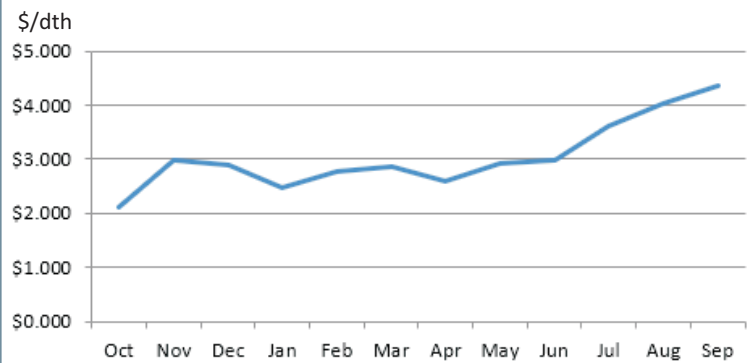
-Total US consumption of natural gas rose by 2.6% compared with the previous Report Week, according to data from IHS Markit. Natural gas for power generation climbed by 3.4%, week over week as temperatures in the West and Midcontinent were higher than normal. Industrial sector consumption increased by 0.8% week over week. In the residential and commercial sectors, consumption increased by 4.3%. Natural gas exports to Mexico decreased 6.9%. Natural gas deliveries to US LNG export facilities averaged 10.4 Bcf/d, or 0.44 Bcf/d lower than last week.

-Net natural gas injections into storage totaled 83 Bcf for the week ending September 10, compared with the 5-yr average net injections of 79 Bcf and last year's net injections of 86 Bcf during the same week. Working natural gas stocks totaled 3,006 Bcf, which is 231 Bcf (7%) lower than the 5-yr average and 595 Bcf (17%) lower than last year at this time.

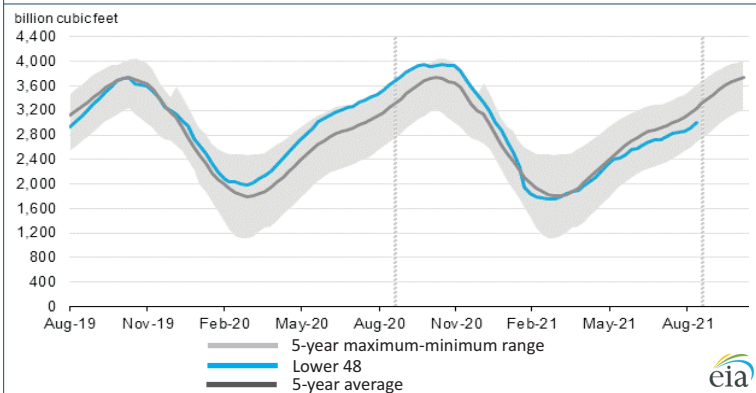
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 37¢/MMBtu, averaging \$10.70/MMBtu for the week ending September 15.

-According to Baker Hughes, as of September 7, the natural gas rig count decreased by 1 to 101. The number of oil-directed rigs rose by 7, with 4 rigs added in LA as offshore drilling activity gradually returns after Hurricane Ida. Total rig count increased by 6, and it now stands at 503. Excerpted from eia

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



Working natural gas in underground storage as of Sept. 10, 2021

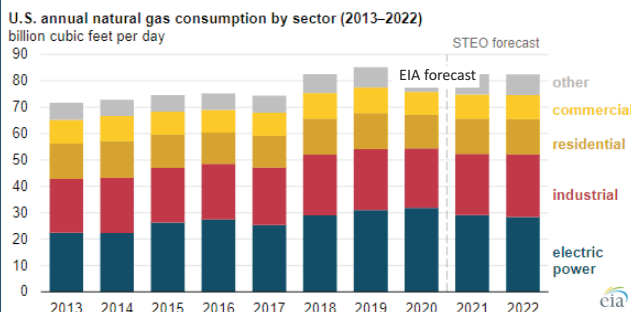


Forward 12-month NYMEX natural gas strip price - Oct21-Sep22:

Process Load-weighted \$4.669/dth - w/o/w = ▲ \$0.354
Heat Load-weighted \$5.128/dth - w/o/w = ▲ \$0.475

Rising prices projected to lead to US natural gas consumption decline through 2022, led by the electric power sector:

The US Energy Information Administration (EIA) forecasts consumption of natural gas to decline in 2021 and 2022 from 2020 levels, declining in all end-use sectors in the US except in the industrial sector and for other non-sector-specific uses due to rising natural gas prices. The largest decline is expected in the electric power sector, with US consumption forecast to fall 0.7 Bcf/d from 2020 to 2021. EIA projects overall US natural gas consumption in 2022 to increase slightly from 2021 as increasing consumption in the industrial sector offsets declining consumption in the electric power sector. In the US, natural gas prices influence natural gas consumption in the electric power sector. When natural gas prices are high, generators typically switch from natural gas to lower-cost coal as the source for power generation. Higher prices at Henry Hub, the US natural gas benchmark, during the first half of 2021 resulted in less natural gas consumption in the electric power sector than during the first half of 2020. EIA expects the Henry Hub price to average \$3.63/MMBtu in 2021, or \$1.60/MMBtu more than the 2020 average. Therefore, EIA expects 2.7 Bcf/d, or 8.3%, less consumption of natural gas in the US electric power sector in 2021. EIA expects natural gas consumption in the US industrial sector to increase in 2022 to 23.8 Bcf/d from an average of 23.2 Bcf/d in 2021. Natural gas consumed by the industrial sector directly correlates to the level of industrial activity, which is measured using a natural gas-weighted industrial consumption index. This index reflects the growth of manufacturing subsectors and their relative importance to US natural gas consumption. EIA projects that the index will increase 5.8% in 2021 from 2020 levels and another 5.8% in 2022 from 2021 levels.



Excerpted from eia

“I like the order and simplicity of sports. They have an ending. You can argue with your friends about it, but in the end, you still like sports. I almost love the fantasy world of sports more than the real world.” -Norm MacDonald¹

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¹https://www.brainyquote.com/quotes/norm_macdonald_575655