

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, September 22, to Wednesday, September 29 (the Report Week), with the Henry Hub spot price rising from \$4.83/MMBtu to \$5.63/MMBtu. International natural gas prices rose for the fifth consecutive week. LNG cargos in East Asia rose \$3.99/MMBtu to a weekly average of \$27.96/MMBtu, the highest weekly average on record going back to January 2020. European day-ahead average LNG prices rose \$1.95/MMBtu to \$25.23/MMBtu, the highest weekly average on record going back to September 2007. In the same week last year, prices in East Asia and Europe were \$5.00/MMBtu and \$4.11/MMBtu.


-The October 2021 NYMEX natural gas futures contract expired Tuesday at \$5.841/MMBtu, up \$1.04/MMBtu. The November 2021 NYMEX contract increased to \$5.477/MMBtu, up 62¢/MMBtu. The price of the 12-month strip averaging November 2021 through October 2022 futures contracts climbed 34¢/MMBtu to \$4.507/MMBtu. The February 2022 futures contract settled at \$6.06/MMBtu on Tuesday, the highest settlement for any futures contract since the March 2014 contract settled at \$6.14/MMBtu in February 2014.

-Net natural gas injections into storage totaled 88 Bcf for the week ending September 24, compared with the five-year average net injections of 72 Bcf and last year's net injections of 74 Bcf. Working natural gas stocks totaled 3,170 Bcf, which is 213 Bcf (6%) lower than the five-year average and 575 Bcf (15%) lower than last year at this time.

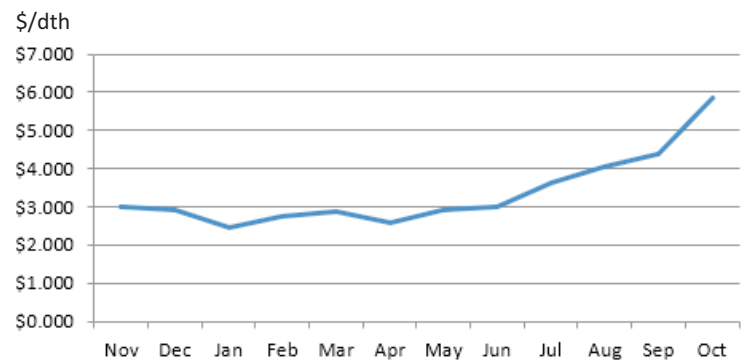
-Total US consumption of natural gas fell by 5.7% compared with the previous Report Week, according to data from IHS Markit. Natural gas for power generation declined by 13.1% due to cooler-than-normal Southwest and Southeast temperatures, industrial sector consumption increased by 1.4% and residential and commercial sector consumption increased by 5.0%. Natural gas exports to Mexico decreased 2.5%. Natural gas deliveries to US LNG export facilities were 0.35 Bcf/d higher.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 40¢, averaging \$11.57/MMBtu for the week ending September 29.

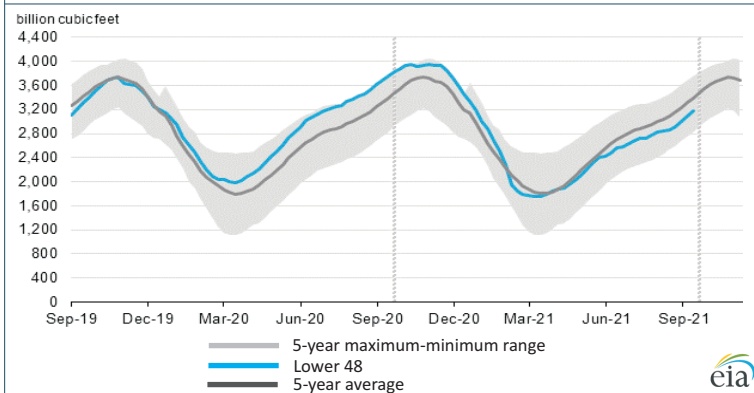
-According to Baker Hughes, the natural gas rig count decreased by 1 to 99. The number of oil-directed rigs rose by 10 to 421. The total rig count increased by 9, and it now stands at 521, the highest level since mid-April 2020.

Excerpted from 

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



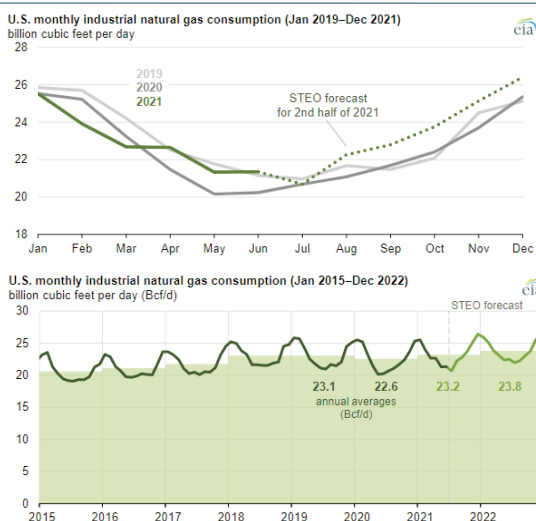
Working natural gas in underground storage as of Sept. 24, 2021




Forward 12-month NYMEX natural gas strip price - Nov21-Oct22:

Process Load-weighted \$4.507/dth - w/o/w = ▲ \$0.344
Heat Load-weighted \$5.022/dth - w/o/w = ▲ \$0.48

Increasing consumption of natural gas projected for US industry in 2021 and 2022:



The US Energy Information Administration (EIA) forecasts that industrial sector natural gas consumption will rise throughout 2021. EIA forecasts the growth to continue into 2022, and natural gas delivered to industrial consumers will average 23.8 Bcf/d that year. If realized, this amount would be near the current record high for annual industrial natural gas consumption set in the early 1970s. Many industrial processes have limited or no alternatives to natural gas for use as both fuel and feedstock, making industrial natural gas consumption relatively insensitive to short-term price fluctuations. Some value-added industrial products such as ammonia, methanol, and hydrogen that are produced from natural gas remain economically competitive even when natural gas prices are relatively high. US industrial natural gas consumption averaged 22.9 Bcf/d in the first half of 2021. Natural gas consumption fell in the US industrial sector during 2020 when a decline in US economic activity led to a decline in output among industries that consume natural gas, such as the metals, petroleum and coal products, paper, and chemicals industries. EIA expects natural gas consumption in the US industrial sector to average 23.5 Bcf/d in the second half of this year and 23.2 Bcf/d for 2021. If realized, this amount of industrial natural gas consumption would exceed the 2019 average of 23.1 Bcf/d and mark the most US industrial natural gas consumption since 1997.

Excerpted from 

"I came from Long Island, so I had a lot of experience at the stick. I played in junior high, then I played in high school. The technical aspect of the game was my forte. I had all that experience, then I had strength and I was in good condition." -Jim Brown¹

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¹https://www.brainyquote.com/quotes/jim_brown_201375