

**Newstracker:**


-The Henry Hub natural gas spot price fell from \$5.95/MMBtu to \$5.45/MMBtu from Wednesday, October 6 to Wednesday, October 13 (the Report Week). Swap prices for November LNG cargos in East Asia rose for the seventh week in a row to a weekly average of \$33.24/MMBtu, up 76¢/MMBtu. At the Title Transfer Facility in the Netherlands, day-ahead prices declined for the first week since late August to a weekly average of \$29.40/MMBtu, down \$2.88/MMBtu from last week. In the same week last year, prices in East Asia and at TTF were \$5.14/MMBtu and \$4.73/MMBtu, respectively.

-The price of the November 2021 NYMEX natural gas futures contract decreased 9¢, from \$5.675/MMBtu to \$5.590/MMBtu for the Report Week. The price of the 12-month strip averaging November 2021 through October 2022 climbed 6¢/MMBtu to \$4.724/MMBtu. All contracts for winter 2021/22 delivery settled lower this report week, but all contracts for delivery from April through October settled higher.

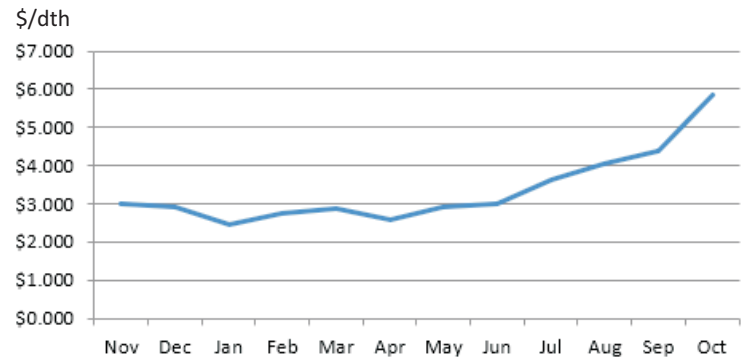
-Net natural gas injections into US storage totaled 81 Bcf for the week ending October 8, compared with five-year average net injections of 79 Bcf and last year's net injections of 50 Bcf during the same week. Working natural gas stocks totaled 3,369 Bcf, which is 174 Bcf (5%) lower than the five-year average and 501 Bcf (13%) lower than last year at this time.

-US natural gas consumption increased week over week because of rising consumption in the residential/commercial sector and higher feed gas deliveries to LNG export terminals. Total consumption rose by 1.3% compared with the previous Report Week, according to data from IHS Markit. Natural gas consumed for power generation declined by 1.2% w/o/w, which was offset by a 9.2% increase in the residential/commercial sector. Industrial sector consumption was flat. Exports to Mexico increased 1.5%. Natural gas deliveries to US LNG export facilities were up 5%.

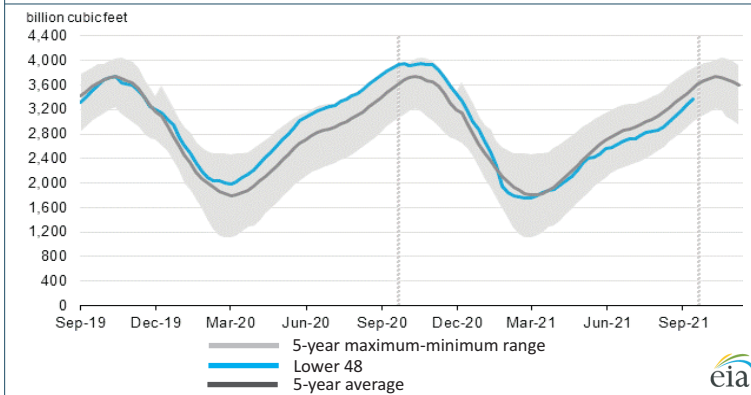
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 2¢/MMBtu, averaging \$12.38/MMBtu for the week ending October 13. - According to Baker Hughes, for the week ending Tuesday, October 5, the natural gas rig count remained flat at 99 rigs. The number of oil-directed rigs rose by 5 to 433, the most since mid-April 2020. The total rig count increased by 5, and it now stands at 533.

Excerpted from 

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



**Working natural gas in underground storage as of Oct. 8, 2021**



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

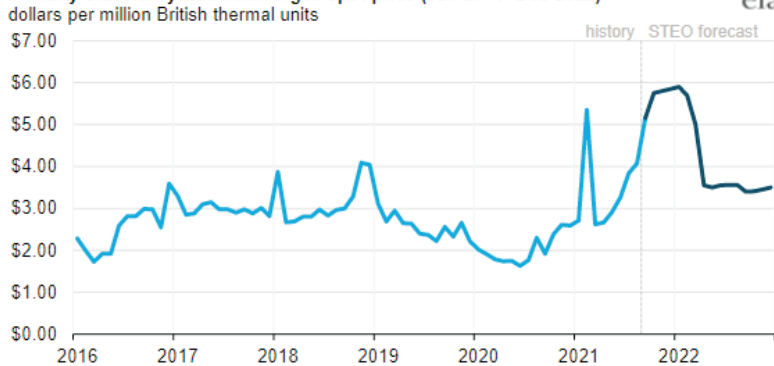
Process Load-weighted \$4.724/dth - w/o/w = ▲ \$0.059  
Heat Load-weighted \$5.221/dth - w/o/w = ▲ \$0.007

**US natural gas prices likely to remain elevated through the winter:**

In its October Short-Term Energy Outlook (STEO), the US Energy Information Administration (EIA) forecasts that natural gas spot prices at the US benchmark Henry Hub will average \$5.67/MMBtu between October and March, the highest winter price since 2007/2008. The increase in Henry Hub prices in recent months and in the STEO forecast reflect below-average storage levels heading into the winter heating season and strong demand for US LNG, along with relatively slow growth in US natural gas production. The STEO projects Henry Hub prices will decrease after the first quarter of 2022, as production growth outpaces growth in LNG exports, and will average \$4.01/MMBtu for the year. US exports of LNG are establishing a record in 2021, and the EIA expects them to set a new record high in 2022. The projected year-on-year increase in LNG exports coincides with slight forecasted growth in US natural gas production. Because US LNG exports have grown faster than domestic natural gas production, inventories are lower than average. As of the end of September, US natural gas inventories are 5.5% below the five-year (2016/2020) average. Lower US inventories could contribute to more natural gas price volatility, particularly if any area in the US experiences a severe cold snap, which makes the price outlook for this winter very uncertain. For the 2<sup>nd</sup> quarter of 2022, EIA forecasts decreasing Henry Hub natural gas prices as anticipated growth in domestic natural gas production begins to outpace growth in US LNG exports.

Excerpted from 

**Monthly U.S. Henry Hub natural gas spot price (Jan 2016–Dec 2022)**



“It’s not what you look at that matters, it’s what you see.” -Henry David Thoreau<sup>1</sup>