

## Newstracker:

-Natural gas spot prices fell at most locations from Wednesday, October 13 to Wednesday, October 20 (the Report Week), with Henry Hub spot price falling from \$5.45/MMBtu to \$4.79/MMBtu. International natural gas prices were up as swap prices for November LNG cargos in East Asia rose for the eighth week in a row to a weekly average of \$33.92/MMBtu. European day-ahead prices rose to a weekly average of \$30.43/MMBtu.


-The price of the November 2021 NYMEX natural gas futures contract decreased 42 cents to \$5.170/MMBtu for the Report Week. The price of the 12-month strip averaging November 2021 through October 2022 futures contracts declined 19 cents to \$4.530/MMBtu.

-Net natural gas injections into storage totaled 92 Bcf for the week ending October 15, compared with the five-year average of 69 Bcf and last year's 49 Bcf during the same week. Working natural gas stocks totaled 3,461 Bcf, which is 151 Bcf (4%) lower than the five-year average and 458 Bcf (12%) lower than last year at this time.

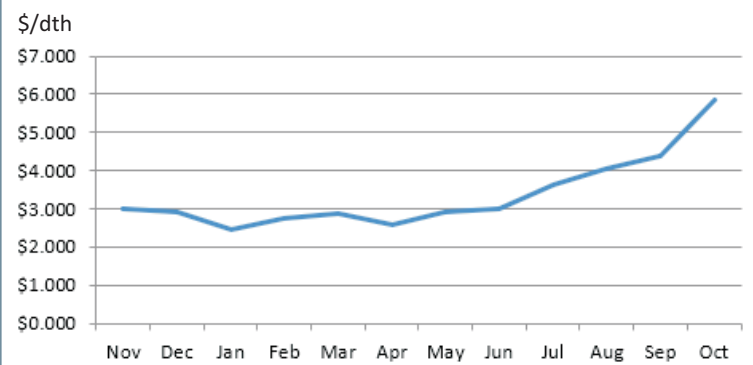
-Total US natural gas demand rose by 1.9% for the Report Week, according to data from IHS Markit. Natural gas consumed for power generation declined by 10.4% while residential and commercial sector consumption increased 36.9% as the country transitions into the winter heating season. Industrial sector consumption increased 2.2%. Pipeline exports to Mexico rose 4.2%, and deliveries of feed gas to LNG export terminals rose 3.5%.

-The natural gas plant liquids composite price rose 20 cents/MMBtu, averaging \$12.47/MMBtu for the week ending October 20. Propane prices rose only 1%, reflecting a relatively mild start to the winter heating season.

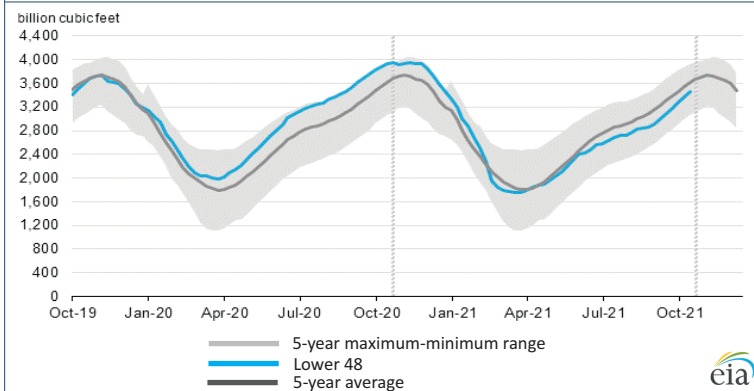
-According to Baker Hughes, for the week ending Tuesday, October 12, the natural gas rig count decreased by 1 to 98. The number of oil-directed rigs rose by 12 to 445. The oil-rig count has increased for the sixth week in a row, and is now 51 rigs above the 394-rig total reported for the first week of September. The total rig count increased by 10, and it now stands at 543, 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 Oct. 15, 2021

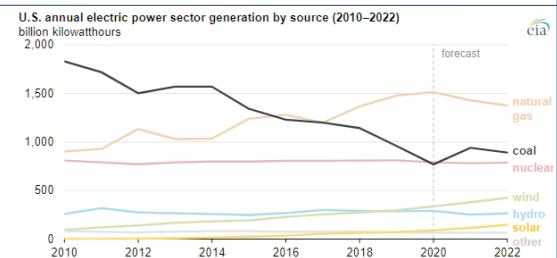



## Forward 12-month NYMEX natural gas strip price - Nov21-Oct22:

Process Load-weighted \$4.530/dth - w/o/w = ▼\$0.194  
Heat Load-weighted \$4.971/dth - w/o/w = ▼\$0.250

## Annual US coal-fired electricity generation will increase for the first time since 2014:

The US Energy Information Administration (EIA) forecasts 22% more US coal-fired generation in 2021 than in 2020. The US electric power sector has been generating more electricity from coal-fired power plants this year because of significantly higher natural gas prices and relatively stable coal prices. 2021 will yield the first year-over-year increase in coal generation in the US since 2014. In many areas of the US, coal and natural gas compete to supply electricity based on their relative costs. US natural gas prices have been more volatile than coal prices, so the cost of natural gas often determines the relative share of generation provided by natural gas and coal. Because natural gas-fired power plants convert fuel to electricity more efficiently than coal-fired plants, natural gas-fired generation can have an economic advantage even if natural gas prices are slightly higher than coal prices. Between 2015 and 2020, the cost of natural gas delivered to electric generators remained relatively low and stable; prices in 2021 have been much higher than in recent years. The year-to-date delivered cost of natural gas to US power plants has averaged \$4.93/MMBtu, more than double 2020's price. The overall decline in US electricity demand in 2020 and record-low natural gas prices led coal plants to significantly reduce the percentage of time that they generated power. In 2020, the utilization rate (known as the capacity factor) of US coal-fired generators averaged 40%. Before 2010, coal capacity factors routinely averaged 70% or more. 2021's higher natural gas prices have pushed the average coal capacity factor to 51%, which is almost the 2018 average. Although rising natural gas prices have resulted in more US coal-fired generation than last year, this increase in coal generation will most likely not continue. The electric power sector has retired about 30% of its generating capacity at coal plants since 2010, and no new coal-fired capacity has come online in the US since 2013. For 2022, EIA forecasts that US coal-fired generation will decline about 5% due to continuing retirements of generating capacity at coal power plants and slightly lower natural gas prices.



Excerpted from 

"I have an answering machine in my car. It says, I'm home now. But leave a message and I'll call when I'm out." -Stephen Wright<sup>1</sup>