
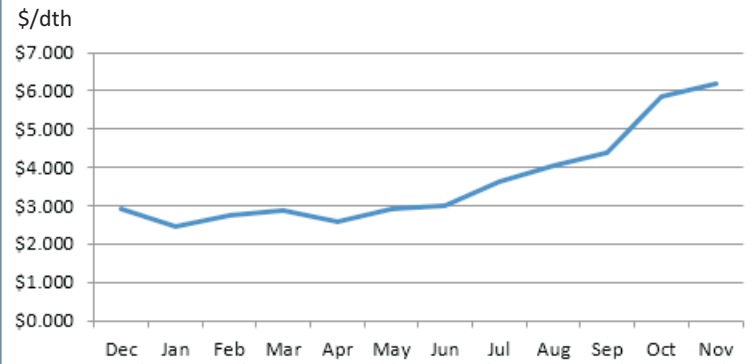


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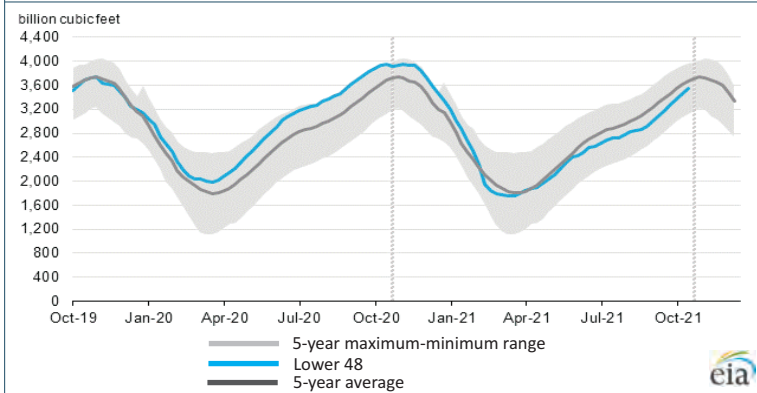
- Natural gas spot prices rose at most locations from Wednesday, October 20, to Wednesday, October 27 (the Report Week), with the Henry Hub spot price rising \$1.07 to \$5.86/MMBtu. LNG prices in East Asia rose for the ninth week in a row to a weekly average of \$34.05/MMBtu.
- The November 2021 NYMEX natural gas futures contract expired Wednesday, October 27 at \$6.202/MMBtu, up \$1.03/MMBtu from the previous Wednesday. The December 2021 NYMEX contract price increased to \$6.198/MMBtu, up 75 cents/MMBtu for the Report Week. The price of the 12-month strip averaging December 2021 through November 2022 futures contracts climbed 39 cents to \$4.825/MMBtu.
- Net natural gas injections into storage totaled 87 Bcf for the week ending October 22, compared with five-year average net injections of 62 Bcf and last year's net injections of 32 Bcf during the same week. Working natural gas stocks totaled 3,548 Bcf, which is 126 Bcf (4%) lower than the five-year average and 403 Bcf (11%) lower than last year at this time.
- US natural gas demand rose by 4.8% w/o/w, according to data from IHS Markit. Average weekly consumption of natural gas rose in all end-use sectors, with the largest increase in the residential and commercial sector, which rose 24.3% as the country transitions into the winter heating season. Natural gas consumed for power generation climbed by 2.0% w/o/w, and industrial sector consumption increased 1.0% w/o/w. Natural gas exports to Mexico decreased 0.6%, and deliveries of feed gas to US LNG export facilities were 0.2 Bcf/d lower than last week.
- The natural gas plant liquids (NGPL) composite price at Mont Belvieu, Texas, fell 32 cents, averaging \$12.15/MMBtu for the Report Week, while average weekly Brent crude oil prices remained relatively unchanged this report week. The decline in the NGPL composite price was primarily the result of a strong decline in propane prices, which fell 5% this report week as a result of lower-than-normal demand for this time in the winter heating season, and unseasonal inventory builds.
- According to Baker Hughes, for the week ending Tuesday, October 19, the natural gas rig count increased by 1 to 99. The number of oil-directed rigs fell by 2 to 443. The total rig count decreased by 1, and it now stands at 542.

Excerpted from 

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



Working natural gas in underground storage as of Oct. 22, 2021

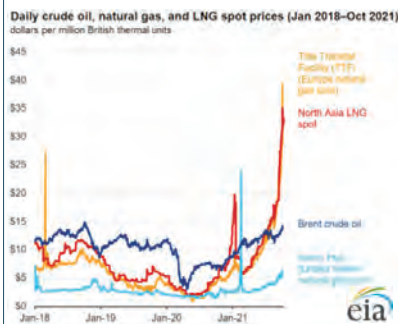


Forward 12-month NYMEX natural gas strip price - Dec21-Nov22:

Process Load-weighted \$4.825/dth - w/o/w = ▲ \$0.389
Heat Load-weighted \$5.367/dth - w/o/w = ▲ \$0.512

Growth in natural gas demand in Asia and low storage levels in Europe lead to record-high spot prices:

International spot natural gas and LNG prices in Europe and Asia have been setting record highs this year reaching \$35/MMBtu in Asia and nearly \$40/MMBtu in Europe in the first week of October. These prices are more than a twenty-fold increase from record lows during the summer 2020. Historically, spot natural gas prices in Europe have traded below spot LNG prices in Asia. This year, however, European spot and forward prices have been closely tracking LNG prices in Asia to attract higher volumes of flexible LNG supplies to Europe to refill storage inventories. Several factors have contributed to significantly higher global spot natural gas and LNG prices this year, including growth in natural gas demand in Asia and Latin America, seasonally low natural gas storage inventories in Europe, and reduced global LNG supply because of planned and unplanned outages at LNG export facilities in several countries. Significant growth in natural gas demand in Asia, led by China, contributed to increased demand for global spot LNG supplies in addition to volumes supplied under long-term contracts. In North Asia, a colder-than-normal winter and a hot summer led to higher natural gas demand and lower inventories. In addition, a shortage of coal supplies in China, higher LNG demand by the power and industrial sectors in Japan, and lower output by nuclear power plants in South Korea contributed to a significant increase in LNG imports. Low natural gas storage inventories in Europe contributed to Europe's natural gas spot price increasing to an all-time high in October 2021. As of October 18, 2021, natural gas inventories in Europe were 77% full, compared with 95% last year at this time and the 91% five-year average. Unplanned outages at LNG export plants in several countries also contributed to reduced supply of LNG to the global market, particularly in the summer months of this year. The outages included extended planned maintenance at several LNG export projects in Australia, Russia, and Papua New Guinea; unplanned outages related to technical issues at LNG production plants in Norway, Malaysia, and Peru; and lower feedstock natural gas supply available for LNG export plants in Nigeria, Angola, Egypt, and Trinidad and Tobago.



"A committee is a group that keeps minutes and loses hours." -Milton Berle¹