

Newstracker:

-Natural gas spot price movements were mixed from Wednesday, January 5 to Wednesday, January 12 (the Report Week), during which the Henry Hub spot price rose from \$3.79/MMBtu to \$4.59/MMBtu. LNG swap prices in East Asia rose \$1.08 to a weekly average of \$33.87/MMBtu. European LNG day-ahead prices rose \$1.57 to a weekly average of \$28.07/MMBtu. In the same week last year, prices in East Asia and at TTF were \$16.91/MMBtu and \$7.97/MMBtu, respectively.

-The price of the February 2022 NYMEX natural gas futures contract increased 97.5 cents to \$4.857/MMBtu for the Report Week. The price of the 12-month strip averaging February 2022 through January 2023 futures contracts climbed 48.7 cents to \$4.325/MMBtu.

-Net natural gas withdrawals from storage totaled 179 Bcf for the week ending January 7, compared with the five-year average net withdrawals of 155 Bcf and last year's net withdrawals of 134 Bcf during the same week. Working natural gas stocks totaled 3,016 Bcf, which is 72 Bcf (2%) more than the five-year average and 199 Bcf (6%) lower than last year at this time.

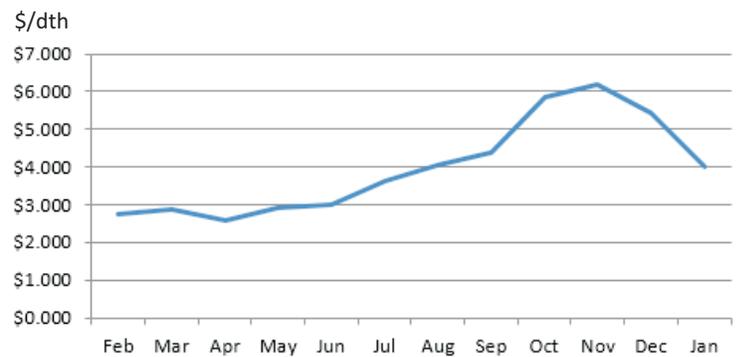
-US residential and commercial sector natural gas consumption increased by 20.0% as a result of below-average temperatures across most of the Lower 48 states. The rise in the residential and commercial sector natural gas consumption accounted for most of the increase in total US consumption, which rose by 10.7% compared with the previous Report Week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 3.4%; industrial sector consumption increased by 3.4%. Natural gas exports to Mexico increased 15.4%, and natural gas deliveries to LNG export facilities averaged 12.2 Bcf/d, or 0.3 Bcf/d higher than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 54 cents/MMBtu, averaging \$10.68/MMBtu for the week ending January 12. Propane prices rose 3%, reflecting higher seasonal consumption of propane as a space heating fuel, along with elevated exports.

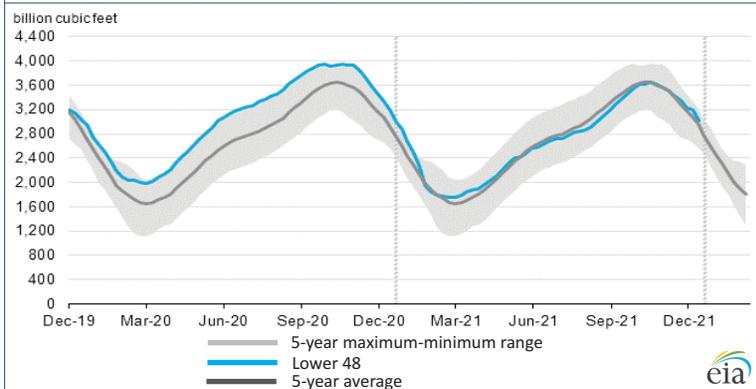
-According to Baker Hughes, for the week ending Tuesday, January 4, the natural gas rig count increased by 1 to 107 rigs, which is 23 more than this time last year. The number of oil-directed rigs rose by 1 to 481. The total rig count increased by two, and it now stands at 588, a 63% increase from a year ago.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Feb 2021 - Jan 2022:



Working natural gas in underground storage as of Jan. 7, 2022



Forward 12-month NYMEX natural gas strip price - Feb22-Jan23:

Process Load-weighted \$4.325/dth - w/o/w = ▲ \$0.487
 Typical Heat Load-weighted \$4.426/dth - w/o/w = ▲ \$0.527

US natural gas production, consumption, and exports increased in 2021, while net storage injections were lower than average:

The US Energy Information Administration (EIA) estimates that US dry natural gas production averaged 93.4 Bcf/d in 2021, exceeding the previous high of 92.9 Bcf/d in 2019 due to a variety of factors, including record levels of US LNG exports, higher natural gas prices, increased pipeline takeaway capacity, and reduced flaring. US natural gas consumption increased by 3.7% in 2021. Residential and commercial sector use grew 3.7% as a result of well-below-normal temperatures in the second half of the 2021 heating season. Industrial sector consumption of natural gas grew by 1.5% in 2021. Consumption of natural gas in the electric power sector declined by 3.3% in 2021 because of switching from natural gas to coal and competition from renewables as natural gas prices spiked in February and remained elevated for much of the year. Natural gas storage inventories entered the 2021-22 winter heating season at the lowest level since 2018. At the end of March, considered the end of the heating season, natural gas inventories were 11% lower than in 2020. Strong natural gas demand during the 2020-21 heating season, combined with a reduction in natural gas production during this period, contributed to net withdrawals from storage exceeding the five-year average by 10.6%. With demand growth outpacing the growth in natural gas supply during the 2021 storage refill season (April through October), net injections of natural gas into storage in 2021 were 4% below the five-year average and 3% below the 2020 refill season. For the third year in a row, US natural gas gross exports reached new highs in 2021, driven primarily by growth in LNG exports. Pipeline exports set a new monthly record in June, driven by increased exports to Mexico. Strong natural gas demand in Asia, low natural gas storage levels in Europe, and high international natural gas prices supported record levels of US LNG exports in 2021. EIA projects that growth in LNG exports will continue in 2022 as new export capacity is placed in service. By the end of 2022 US LNG export capacity will exceed that of Australia and Qatar, the two largest LNG exporters currently.



Source: U.S. Energy Information Administration, Short-Term Energy Outlook (December 2021)
 Note: Data for November and December 2021 are based on Short-Term Energy Outlook forecasts

Excerpted from 

“Ali always said I would be nothing without him. But what would he have been without me?” -Joe Frazier¹