

Newstracker:

-Natural gas spot prices fell at most locations from Wednesday, January 19 to Wednesday, January 26 (the Report Week), during which the Henry Hub spot price fell 37 cents to \$4.37/MMBtu. International prices were mixed, with Bloomberg Finance, L.P. reporting that swap prices for East Asia LNG cargos fell \$7.99 to a weekly average of \$22.46/MMBtu and Title Transfer Facility in the Netherlands prices rose an average \$2.30 rising to a weekly average of \$28.72/MMBtu. In the same week last year (week ending January 27, 2021), prices in East Asia and at TTF were \$8.61/MMBtu and \$7.21/MMBtu.

-The price of the February 2022 NYMEX natural gas futures contract increased 24.6 cents to \$4.277/MMBtu for the Report Week. The price of the 12-month strip averaging February 2022 through January 2023 futures contracts climbed 17 cents to \$4.185/MMBtu.

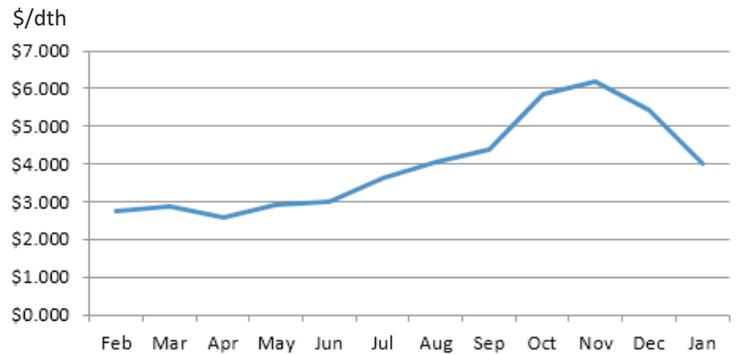
-Net natural gas withdrawals from storage totaled 219 Bcf for the week ending January 21, compared with the five-year average of 161 Bcf and last year's net withdrawals of 137 Bcf during the same week. Working natural gas stocks totaled 2,591 Bcf, which is 25 Bcf (1%) lower than the five-year average and 308 Bcf (11%) lower than last year at this time.

-Total US consumption of natural gas rose by 14.2% compared with the previous Report Week, according to data from IHS Markit. Residential and commercial sectors increased by 21.4% as substantial below-average daytime and nighttime temperatures took hold east of the Rocky Mountains, according to NOAA. Natural gas consumed for power generation climbed by 11.5% and industrial sector consumption increased by 4.2%. Natural gas exports to Mexico increased 4.6% while natural gas deliveries to LNG export facilities were 0.1 Bcf/d lower than last week.

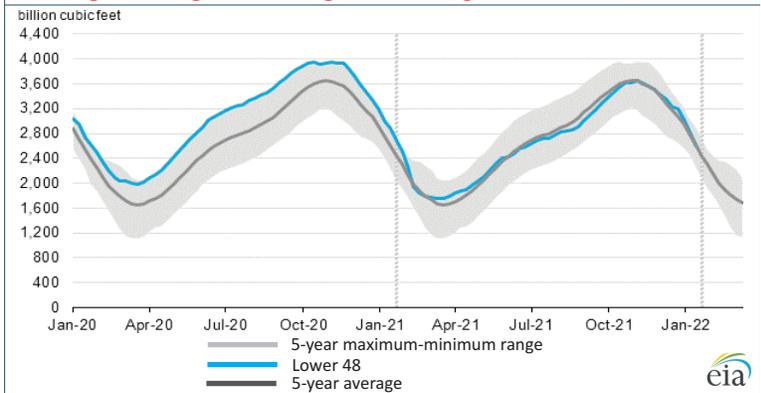
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 6 cents/MMBtu, averaging \$10.73/MMBtu for the Report Week. Ethane prices fell 1%, while natural gas prices at the Houston Ship Channel fell 7%, increasing the ethane premium to natural gas by 15%. Propane prices rose 1% following a 2% increase in the Brent crude oil price.

-According to Baker Hughes, as of January 18 the natural gas rig count increased by 4 to 113 rigs. The number of oil-directed rigs decreased by 1 to 491 rigs. The total rig count now stands at 604, the highest level since April 9, 2020, and 226 rigs more than last year at this time. Excerpted from eia

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



Working natural gas in underground storage as of Jan. 21, 2022

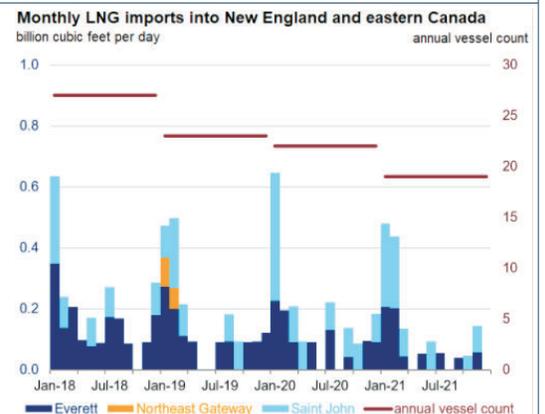


Forward 12-month NYMEX natural gas strip price - Feb22-Jan23:

Process Load-weighted \$4.185/dth - w/o/w = ▲ \$0.170
 Typical Heat Load-weighted \$4.242/dth - w/o/w = ▲ \$0.174

New England natural gas prices increase due to supply constraints and high demand:

Spot natural gas prices at the Algonquin Citygate in New England have exceeded \$20/MMBtu more than 10 times so far this winter. Last week the region experienced a cold snap, when well-below-normal temperatures led to an increase in consumption of natural gas to 4.7Bcf/dthe highest level since January 2021. New England prices are likely to remain volatile this winter in response to extreme cold weather events as natural gas pipeline supply remains constrained and the region must compete for LNG in the high-priced tight global spot market. Historically, LNG imports have been the key marginal source of supply during times of peak demand because New England does not have underground natural gas storage and is hindered by a lack of interstate natural gas pipelines. LNG imports have moderated spot prices in New England and limited price spikes in the past three winters. Peak winter (Dec-Jan-Feb) spot prices at Algonquin Citygate averaged \$5.69/MMBtu in 20182019, \$3.27/MMBtu in 201920, and \$5.68/MMBtu in 202021, with daily prices not exceeding \$14.00/MMBtu in any of the three winters. LNG is imported into New England via the Everett LNG onshore terminal located near Boston; the Northeast Gateway, an offshore terminal near Boston; and the Saint John LNG onshore terminal in New Brunswick, Canada. Saint John LNG imports are transported to New England via pipeline. Recent LNG imports into New England during the peak winter months consisted of 14 LNG tanker deliveries in 2018-2019, 11 deliveries in 2019-2020, and 12 deliveries in 2020-2021. In December 2021, no LNG tankers discharged LNG into any of the three terminals, according to shipping data provided by Bloomberg Finance, L.P. So far this January, two tankers have unloaded at Everett, two tankers at Saint John, and one tanker at Northeast Gateway. Excerpted from eia



“Nobody’s perfect, and to try to pretend you’re perfect is an exhausting fool’s errand.” - Rosemary Mahoney¹