

**Newstracker:**

-Natural gas spot prices rose at most locations from Wednesday, December 29, to Wednesday, January 5 (the Report Week), during which the Henry Hub spot price rose \$0.39 to \$3.79/MMBtu. International natural gas prices fell as swap prices for LNG cargos in East Asia for the balance of January decreased \$10.47 to a weekly average of \$32.79/MMBtu and European day-ahead LNG prices declined to a weekly average of \$26.51/MMBtu.

-The price of the February 2022 NYMEX natural gas futures contract decreased 14.2 cents to \$3.882/MMBtu for the Report Week. The price of the 12-month strip averaging February 2022 through January 2023 futures contracts climbed 2.9 cents to \$3.839/MMBtu. The front end of the strip, comprising the remaining two months of the current winter, fell 14.1 cents, whereas futures contracts for delivery during the first five months of the 202223 winter rose 6.8 cents to an average of \$4.018/MMBtu.

-Net natural gas withdrawals from storage totaled 31 Bcf for the week ending December 31, compared with the five-year average net withdrawals of 108 Bcf and last year's net withdrawals of 127 Bcf during the same week. Working natural gas stocks totaled 3,195 Bcf, which is 96 Bcf (3%) more than the five-year average and 154 Bcf (5%) lower than last year at this time.

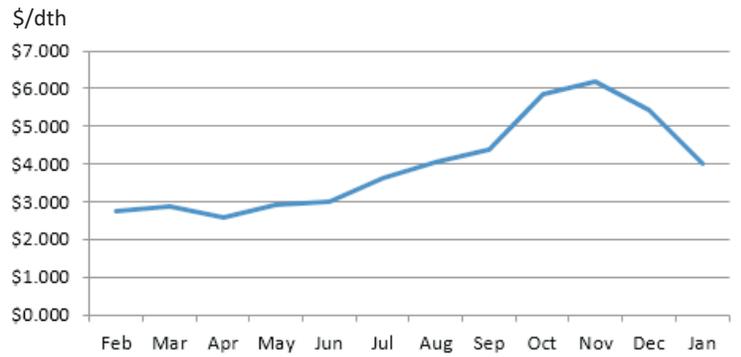
-US residential and commercial sector natural gas consumption for the Report Week increased 21.8% as NOAA reported widespread, below-average temperatures across the central and western US. Total consumption increased across all sectors by 13.3%, according to data from IHS Markit. Natural gas consumption by the electric power and industrial sectors also increased significantly, rising respectively by 9.6% and 4.5%. Natural gas exports to Mexico increased 2.3%, while natural gas deliveries to US LNG export facilities declined 0.5 Bcf/d.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 18 cents/MMBtu, averaging \$10.14/MMBtu for the week ending January 5. Propane prices rose 1% following a 1% increase in Brent crude oil prices.

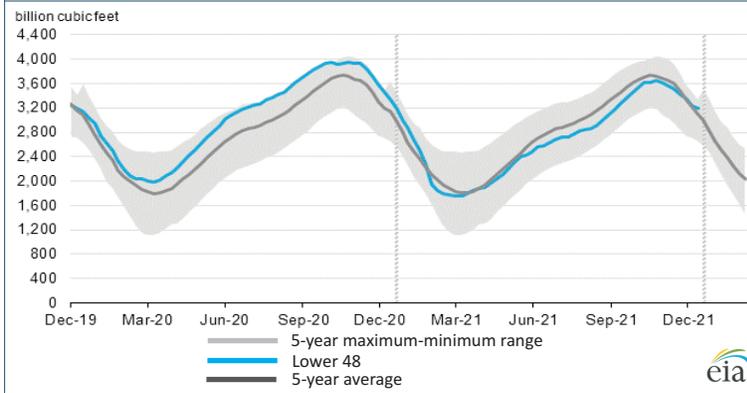
-According to Baker Hughes, as of Tuesday, December 28, the natural gas rig count was flat from a week ago at 106. The number of oil-directed rigs was also flat this week at 480, but is 13 rigs higher than in the last week of November. The total rig count now stands at 586, the highest level since April 9, 2020.

Excerpted from 

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



**Working natural gas in underground storage as of Dec. 10, 2021**

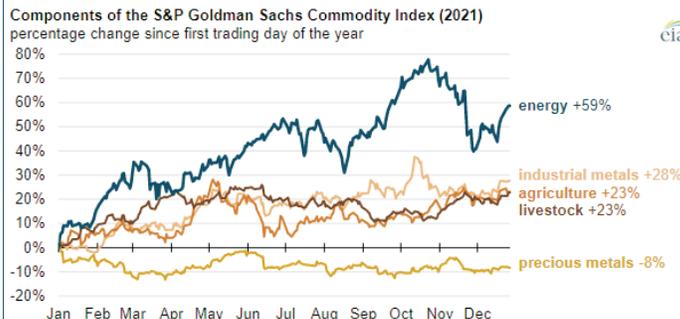


**Forward 12-month NYMEX natural gas strip price - Feb22-Jan23:**

Process Load-weighted \$3.839/dth - w/o/w = ▲ \$0.015  
 Typical Heat Load-weighted \$3.899/dth - w/o/w = ▲ \$0.013

**Energy prices rose more than other commodities in 2021:**

Energy prices used in the S&P Goldman Sachs Commodity Index (GSCI) ended 2021 59% higher than the first trading day of the year. By comparison, most other commodity indexes included in the GSCI increased by about 20%. The precious metals index was the only one to decline. The energy index of the GSCI increased more than twice as much as the industrial metals index on a percentage basis during 2021, the next highest commodity index group price change. The GSCI is a commodity index that tracks the performance of global commodities markets. The index is a weighted average of commodity prices, and the index updates the weight it allocates to each commodity every year. In 2021, the energy index group made up 54% of the GSCI. Prices in energy commodity futures markets greatly increased throughout 2021, with the price of RBOB (a reformulated grade of gasoline used as the benchmark for gasoline trading)



increasing 67%. The only commodity included in the GSCI that increased more was coffee, whose futures price increased by 81%. Among energy commodities, prices for petroleum products such as RBOB and ULSD (ultra-low sulfur diesel, increased the most during 2021, at 67% and 64%, respectively. Prices for crude oils such as WTI (62%) and Brent (55%) increased by slightly less. Futures prices for gasoil (the name for ULSD in Europe) increased by 54% during 2021. Natural gas prices increased the least among energy commodities, although 38% is still a relatively large increase. Several factors contributed to the higher energy commodity prices throughout 2021, including weather disruptions, such as the February winter freeze and Hurricane Ida; increased demand for gasoline and diesel; and increasing demand for crude oil and natural gas at a rate faster than increased production.

Excerpted from 

“Life is thickly sown with thorns, and I know no other remedy than to pass quickly through them. The longer we dwell on our misfortunes, the greater is their power to harm us.” -Voltaire<sup>1</sup>

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<sup>1</sup>https://www.brainyquote.com/quotes/voltaire\_118528