

**Newstracker:**

-Natural gas spot prices rose at most locations from Wednesday, January 26 to Wednesday, February 2 (the Report Week), during which the Henry Hub spot price rose from \$4.37/MMBtu to \$6.44/MMBtu. Bloomberg Finance, L.P. reports that swap prices for LNG cargos in East Asia for the balance of February rose \$3.82 to a weekly average of \$26.29/MMBtu. At the Title Transfer Facility in the Netherlands, day-ahead prices fell \$1.08 to a weekly average of \$27.64/MMBtu.


-The February 2022 NYMEX natural gas futures contract expired 1/27/22 at \$6.265/MMBtu, up \$1.988 for the Report Week. Coincidentally, the March 2022 NYMEX contract price increased to \$5.501/MMBtu, up \$1.224 for the Report Week. The price of the 12-month strip averaging March 2022 through February 2023 futures contracts climbed \$1.118 to \$5.192/MMBtu.

-Net natural gas withdrawals from storage totaled 268 Bcf for the week ending January 28, compared with the five-year average of 150 Bcf and last year's net withdrawals of 183 Bcf during the same week. Working natural gas stocks totaled 2,323 Bcf, which is 143 Bcf (6%) lower than the five-year average and 393 Bcf (14%) lower than last year at this time.

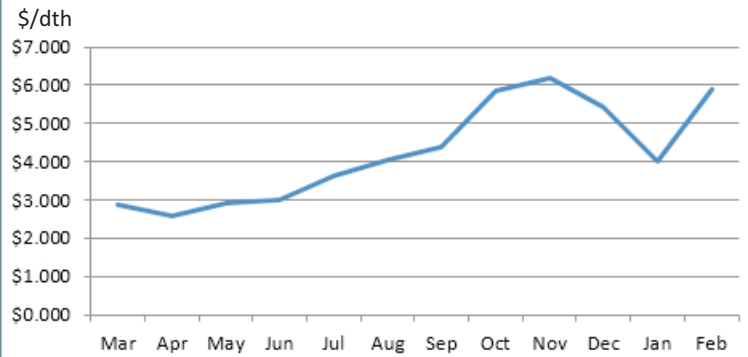
-Total US natural gas consumption fell by 7.7% compared with the previous Report Week, according to data from IHS Markit. The largest was in the residential and commercial sector, where consumption fell by 9.6%. Natural gas consumed for power generation declined by 8.5%, and industrial sector consumption decreased by 2.9%. Natural gas exports to Mexico decreased 4.6% and natural gas deliveries to LNG export facilities were 0.6 Bcf/d lower than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by \$1.04/MMBtu, averaging \$11.70/MMBtu for the week ending February 2. Ethane prices rose 16%, which is less than the 24% increase in natural gas prices at the Houston Ship Channel. Propane prices rose 9% after strong inventory draws related to the colder-than-average weather.

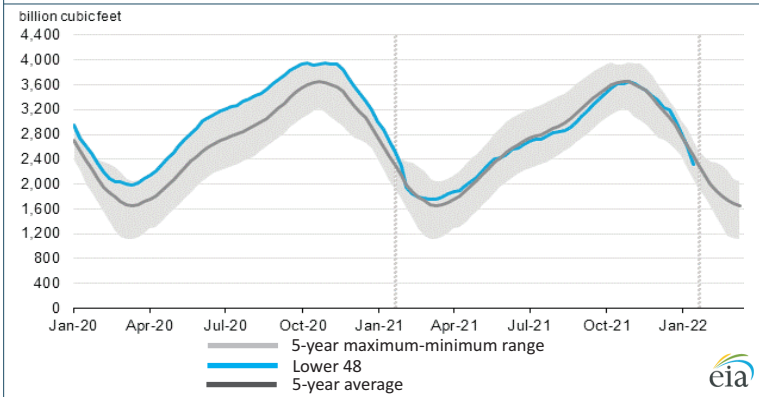
-According to Baker Hughes, for the week ending Tuesday, January 25, the natural gas rig count increased by 2 to 115 rigs. The number of oil-directed rigs increased by 4 to 495 rigs. The total rig count now stands at 610, the highest level since April 3, 2020, and 226 rigs more than last year at this time.

Excerpted from 

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



**Working natural gas in underground storage as of Jan. 28, 2022**

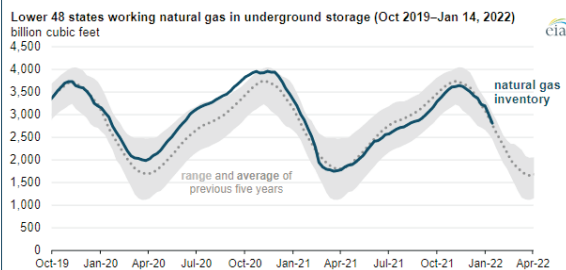


**Forward 12-month NYMEX natural gas strip price - Mar22-Feb23:**


Process Load-weighted \$5.192/dth - w/o/w = ▲ \$1.118  
 Typical Heat Load-weighted \$5.276/dth - w/o/w = ▲ \$1.139

**US natural gas inventories near five-year average after mild December, cold January:**

After starting the winter heating season (November-March) below its previous five-year average, Lower 48 working natural gas in storage surpassed its five-year average in mid-December during one of the warmest Decembers on record. However, colder-than-normal temperatures in early January, along with increased LNG exports and increased power demand compared with last year, have lessened these gains, and working natural gas is again less than the five-year average. As of January 21, natural gas in storage was 25 Bcf, or 1%, less than its previous five-year (2017/2021) average for the week. At the beginning of the heating season on November 5, natural gas in storage was 3%, less than its previous five-year average. Significantly warmer-than-normal temperatures during the early weeks of the heating season lessened space heating demand for natural gas and withdrawals from US natural gas inventories. Heating degree days measure the relative coldness of winter seasons. NOAA reported 635 cumulative gas-weighted heating degree days for the Lower 48 states from December 3 to 30, or 12% less than the previous 10-year average. Natural gas demand in the US residential and commercial sectors in December was 15%



less than the previous five-year average, according to data from IHS Markit. The decreased demand for natural gas in these sectors resulted in lower withdrawals of natural gas from storage compared with the five-year average. Record-high LNG exports limited increases in US natural gas inventories. Estimated US LNG exports averaged 11 Bcf/d from November through January in response to high prices in both Asia and Europe. Inventories in Europe remain much lower than their five-year averages and contributed to increased demand for LNG. Starting in early January, colder-than-normal temperatures in the Midwest and Northeast US have led to more natural gas demand for space heating, while LNG exports have remained at elevated levels. Net withdrawals from storage exceeded the five-year average in the first three weeks of January by 25%, bringing storage inventories to within 1% of the five-year average.

Excerpted from 

“The will to succeed is important, but what’s more important is the will to prepare.” - Bobby Knight<sup>1</sup>