

## Newstracker:


-Natural gas spot price movements were mixed from Wednesday, March 2 to Wednesday, March 9 (the Report Week, during which the Henry Hub spot price fell from 9 cents to \$4.56/MMBtu. International natural gas spot prices rose again this week amid Russia's further invasion of Ukraine and increased uncertainty in European natural gas markets. LNG swap prices in East Asia for the balance of March rose \$12.65/MMBtu to a weekly average of \$40.41/MMBtu. European day-ahead prices rose \$18.71 to a weekly average of \$59.76/MMBtu. In the same week last year (week ending March 10, 2021), prices in East Asia and at TTF were \$5.99/MMBtu and \$5.93/MMBtu.

-The price of the April 2022 NYMEX natural gas futures contract decreased 23.6 cents to \$4.526/MMBtu for the Report Week. The price of the 12-month strip averaging April 2022 through March 2023 futures contracts declined 19.5 cents to \$4.696/MMBtu.

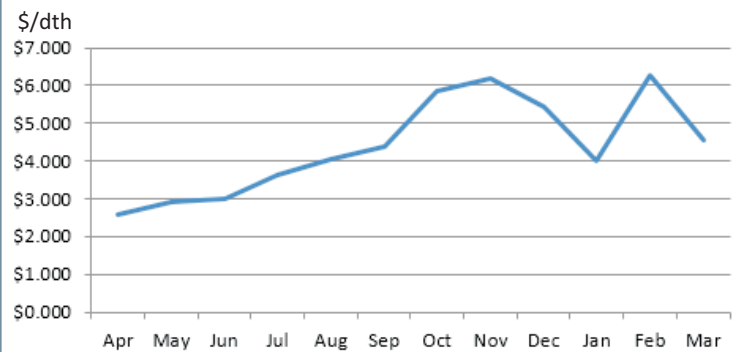
-Net natural gas withdrawals from storage totaled 124 Bcf for the week ending March 4, compared with the five-year average of 89 Bcf and last year's net withdrawals of 59 Bcf during the same week. Working natural gas stocks totaled 1,519 Bcf, which is 290 Bcf (16%) lower than the five-year average and 281 Bcf (16%) lower than last year at this time.

-Total average US consumption of natural gas fell by 13.3% (12.6 Bcf/d) compared with the previous Report Week. Residential and commercial sectors consumption declined by 20.8% as above-average temperatures stretched from the Mississippi Valley across the eastern US. Natural gas consumed for power generation declined by 10.9% and industrial sector consumption decreased by 3.8%. Natural gas exports to Mexico decreased 3.3%, while natural gas deliveries to US LNG export facilities averaged 12.8 Bcf/d, or 0.5 Bcf/d higher than last week.

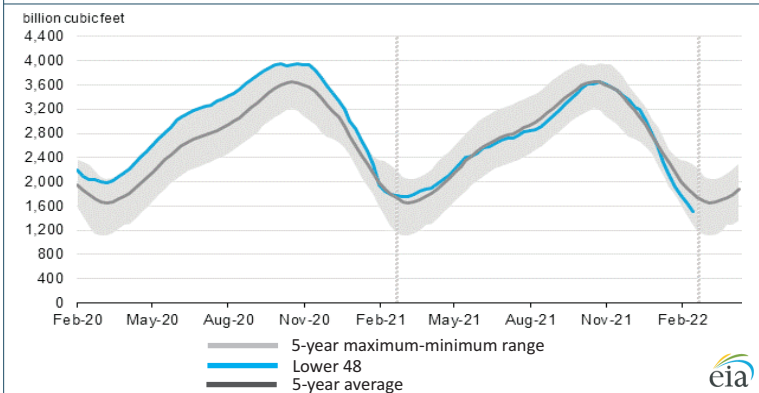
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by \$1.25/MMBtu, averaging \$13.67/MMBtu for the week ending March 9. Brent crude oil prices rose 17%. The propane price rose 10%, widening the propane discount to crude oil by \$1.59/MMBtu (63%) to \$4.12/MMBtu.

-For the week ending Tuesday, March 1, the natural gas rig count increased by 3 to 130 rigs. The number of oil-directed rigs decreased by 3 to 519 rigs. The total rig count this week was flat at 650, the highest level since April 3, 2020, and 247 more rigs than last year at this time. Excerpted from 

## Monthly NYMEX Natural Gas Settle Price: Apr 2021 - Mar 2022:




## Working natural gas in underground storage as of Mar 4, 2022

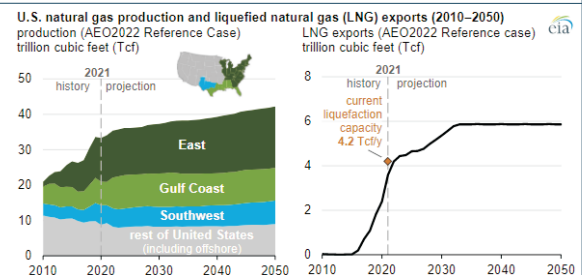


## Forward 12-month NYMEX natural gas strip price - Apr22-Mar23:

Process Load-weighted \$4.696/dth - w/o/w = ▼\$0.195  
 Typical Heat Load-weighted \$4.743/dth - w/o/w = ▼\$0.185

## Rising demand to lead to increased US natural gas production:

The US Energy Information Administration (EIA) projects that US natural gas production will continue to increase through 2050, much of which results from rising demand for exports, especially for LNG. LNG exports are forecast to rise through the early 2030s before leveling off. EIA projects that annual US natural gas production will grow by almost 25% through 2050, much of which will come from the East region and the Gulf Coast region. However, more than half of this growth will come from natural gas production in oil formations, known as associated gas. The most significant increase in production of associated natural gas will be in the Southwest region due to its proximity to LNG export terminals on the US Gulf Coast. Natural gas from the East region also reaches export markets; however, most of its new production will be directed toward domestic markets because access to export terminals is constrained by pipeline infrastructure. In 2021, US natural gas exports set a record high for the seventh consecutive year and are projected to increase further in 2022 and 2023. Most natural gas export growth will come from LNG, but exports of natural gas by pipelines to Mexico and Canada are also forecast to increase. Growth in natural gas exports through 2025 will be driven by increases in LNG capacity at facilities that are currently under construction. Additional LNG trains at Sabine Pass and Calcasieu Pass in Louisiana and at Golden Pass in Texas are now expected to enter service much earlier than previously anticipated. Recent completions of additional natural gas pipeline infrastructure have also increased capacity into Mexico. After 2025, EIA projects that US natural gas production will increase to meet growing LNG export demand. With projected global demand for natural gas continuing to be high, it more will be economical to build additional US LNG export facilities. These LNG capacity expansions, coupled with forecast increasing demand for natural gas abroad, likely result in increased LNG exports rising to 5.86 trillion cubic feet by 2033, up 65% from current levels. Excerpted from 



"I've always found that anything worth achieving will always have obstacles in the way and you're got to have that drive and determination to overcome those obstacles on route to whatever it is you want to accomplish." -Chuck Norris<sup>1</sup>