

Newstracker:

-Natural gas spot prices were mixed from Wednesday, February 23 to Wednesday, March 2 (the Report Week), during which the Henry Hub spot price rose 8 cents to \$4.65/MMBtu. Swap prices for LNG cargos in East Asia for the balance of March rose \$5.48 to a weekly average of \$31.19/MMBtu while European day-ahead prices rose \$15.34 to a weekly average of \$41.06/MMBtu amid the Russian invasion of Ukraine and resulting uncertainty in European natural gas markets. In the same week last year (week ending March 3, 2021), prices in East Asia and at TTF were \$5.93/MMBtu and \$5.70/MMBtu, respectively.

-The March 2022 NYMEX natural gas futures contract expired Thursday, February 24, at \$4.568/MMBtu. The April 2022 NYMEX contract price increased to \$4.762/MMBtu, up 17 cents for the Report Week. The price of the 12-month strip averaging April 2022 through March 2023 futures contracts climbed 16 cents to \$4.890/MMBtu.

-Net natural gas withdrawals from storage totaled 139 Bcf for the week ending February 25, compared with the five-year average net withdrawals of 98 Bcf and last year's net withdrawals of 132 Bcf during the same week. Working natural gas stocks totaled 1,643 Bcf, which is 255 Bcf (13%) lower than the 5-year average and 216 Bcf (12%) lower than last year at this time.

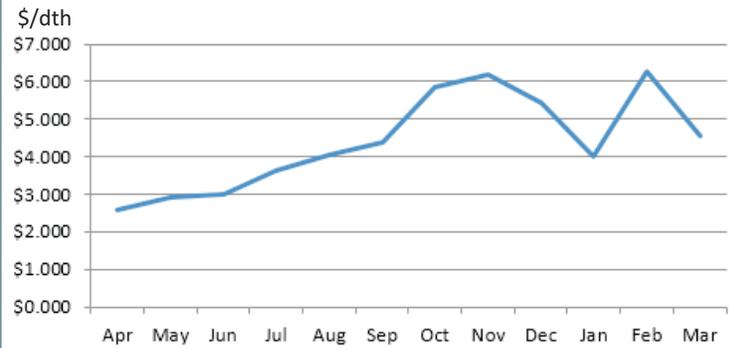
-Total US natural gas consumption rose in all sectors this Report Week, increasing by 4.5% compared with the previous Report Week. Power generation consumption climbed by 8.8% (2.4 Bcf/d) and residential and commercial sectors consumption increased by 4.1% (1.6 Bcf/d). Industrial sector consumption increased by 0.2% (0.04 Bcf/d), natural gas exports to Mexico increased 4.6% (0.3 Bcf/d), and natural gas deliveries to US LNG export facilities were 0.4 Bcf/d.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 66 cents/MMBtu, averaging \$12.39/MMBtu for the week ending March 2. The propane price rose by 4%, widening the propane discount to crude oil by \$1.09/MMBtu (75%) to \$2.53/MMBtu.

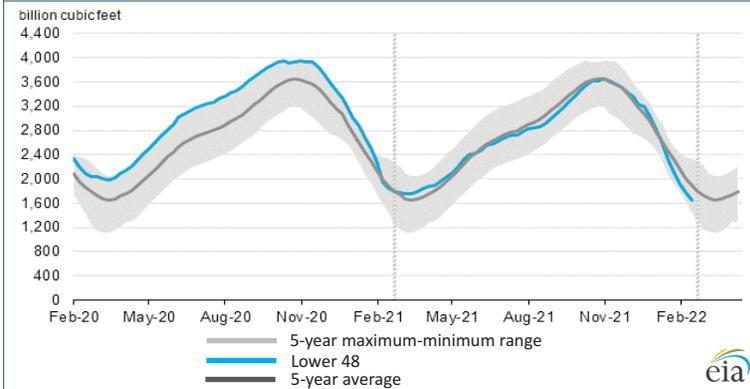
-For the week ending Tuesday, February 22, the natural gas rig count increased by 3 to 127 rigs. The number of oil-directed rigs increased by 2 to 522 rigs. The total rig count of 650 is the highest level since April 3, 2020, and 248 rigs more than last year at this time.

Excerpted from 

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



Working natural gas in underground storage as of Feb 25, 2022

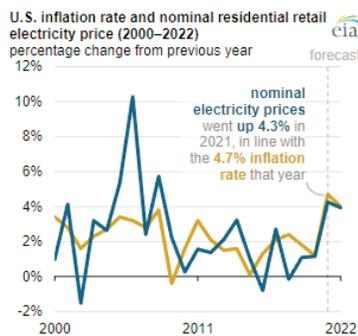
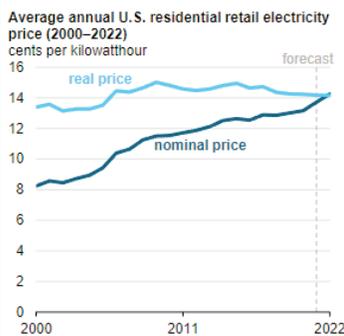


Forward 12-month NYMEX natural gas strip price - Apr22-Mar23:

Process Load-weighted \$4.890/dth - w/o/w = ▲ \$0.163
 Typical Heat Load-weighted \$4.927/dth - w/o/w = ▲ \$0.154

During 2021, US retail electricity prices rose at fastest rate since 2008:

In 2021, the average nominal retail electricity price paid by US residential electric customers rose at the fastest rate since 2008, increasing 4.3% from 2020 to \$0.1372/kWh. This increase is similar to the change in the US Consumer Price Index, which was 4.7% in 2021. Prices for most types of energy commodities rose significantly in 2021, including the cost of power generation fuels, especially natural gas, which helped push electricity prices higher in 2021. The cost of natural gas delivered to US power plants in 2021 averaged \$4.98/MMBtu, more than double the \$2.32/MMBtu average recorded in 2020. Severe weather events in 2021, including a major winter storm in Texas that led to significant energy disruptions, also contributed to higher average electricity prices. The extreme cold weather in Texas and other parts of the Central US restricted the flow of natural gas for power generation, and many wind turbines froze,



constraining energy supply. The constraints on electricity supply created price spikes in the wholesale electricity market in Texas and throughout the US, raising electricity retail prices for some customers. Although the nominal average price of 13.72 cents/kWh that residential electric customers paid in 2021 was the highest on record, retail electricity prices adjusted for inflation have been slowly declining over the long run. The real price of electricity last year was at the lowest level since just before 2006, when the real US electricity price, measured in 2021 dollars, averaged 13.99 cents/kWh. The US Energy Information Administration (EIA) forecasts that residential retail electricity prices will continue to rise in 2022, although at a slightly slower rate. In 2022, EIA expects the average nominal price will increase by 3.9% to 14.26 cents/kWh.

Excerpted from 

“The difference between fiction and reality? Fiction has to make sense.” -Tom Clancy¹