

Newstracker:

Natural gas spot prices rose at most locations from Wednesday, June 1 to Wednesday, June 8 (the Report Week), as the Henry Hub spot price rose \$1.04 to \$9.46/MMBtu. International spot prices were mixed, as East Asia LNG prices were flat at \$23.77/MMBtu while European prices at TTF in the Netherlands fell \$2.02/MMBtu to a weekly average of \$24.49/MMBtu. In the same week last year (week ending June 9, 2021), the prices in East Asia and at TTF were \$10.65/MMBtu and \$9.58/MMBtu, respectively.


-The price of the July 2022 NYMEX natural gas futures contract was unchanged at \$8.699/MMBtu. The price of the 12-month strip averaging July 2022 through June 2023 futures contracts increased 20.9 cents to \$7.897/MMBtu. On Monday, the front month futures contract closed at \$9.322/MMBtu, its highest closing price since August 2008.

-Net natural gas injections into storage totaled 97 Bcf for the week ending June 3, compared with the five-year average net injections of 100 Bcf and last year's net injections of 98 Bcf during the same week. Working natural gas stocks totaled 1,999 Bcf, which is 340 Bcf (15%) lower than the five-year average and 398 Bcf (17%) lower than last year at this time.

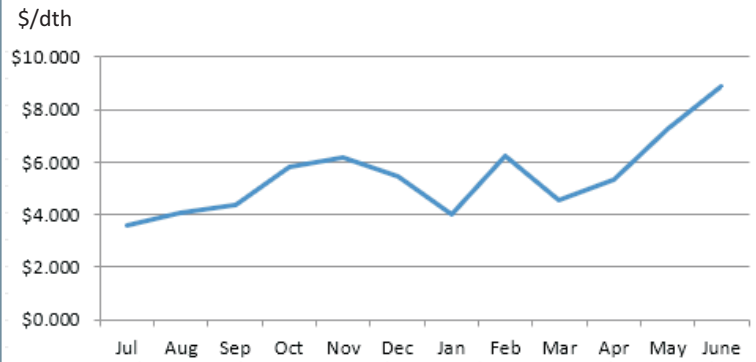
-Total US natural gas consumption rose 1.8% (1.1 Bcf/d) versus the previous Report Week. Temperatures generally rose but remained close to normal across much of the US. The power generation sector accounted for the largest change in consumption, rising by 6.9% (2.1 Bcf/d), as air-conditioning demand increased. Residential and commercial sector consumption declined by 10.5% (1.0 Bcf/d), as demand for space heating declined. Industrial sector consumption was unchanged. Natural gas deliveries to US LNG export facilities fell slightly, averaging 12.5 Bcf/d, or 0.3 Bcf/d lower than last week. Natural gas exports to Mexico decreased by 1.5% (0.1 Bcf/d).

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 18 cents/MMBtu, averaging \$13.00/MMBtu for the week ending June 8. The Brent crude oil price rose 5%. The propane price remained relatively unchanged, widening the propane discount to crude oil by 13%.

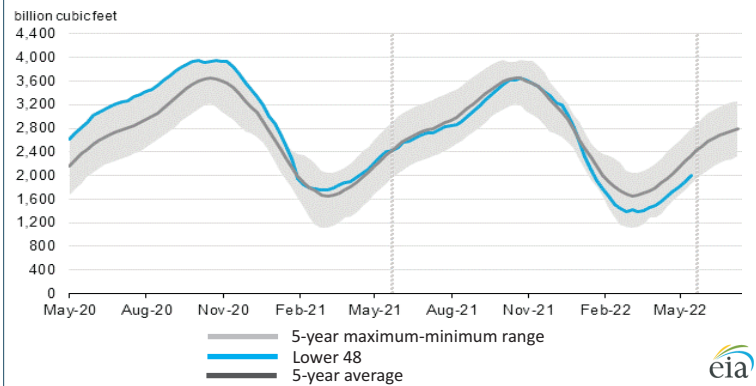
-For the week ending Tuesday, May 31, the natural gas rig count was unchanged from a week ago at 151 rigs. The number of oil-directed rigs also held steady this week at 574 rigs. The total rig count stands at 727, which is 271 rigs more than the same week last year.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Jul 2021 - Jun 2022:



Working natural gas in underground storage as of June 3, 2022



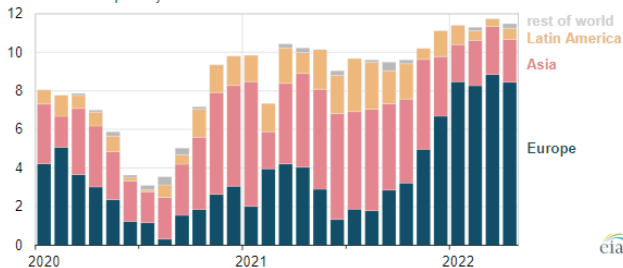
Forward 12-month NYMEX natural gas strip price - Jul22-Jun23:

Process Load-weighted \$7.897/dth - w/o/w = ▲ \$0.209
 Typical Heat Load-weighted \$8.120/dth - w/o/w = ▲ \$0.211

US LNG exports to Europe increased during the first 4 months of 2022:

During the first four months of 2022, the US exported 74% of its LNG to Europe, compared with an annual average of 34% in 2021. In 2020 and 2021, Asia had been the main destination for US LNG exports, accounting for almost half of the total exports. US LNG exports averaged 11.5 Bcf/d during the first four months of 2022, an 18% increase compared with the 2021 annual average. The increase was driven by additional export capacity that came online this year and by high LNG demand. Since December 2021, the European Union (EU) and the United Kingdom have been importing record-high levels of LNG, primarily because of low natural gas storage inventories. High spot natural gas prices at the European trading hubs incentivized global LNG market participants with destination flexibility in their contracts to deliver more LNG supplies to Europe. Additional LNG imports in Europe and a mild winter offset lower natural gas

Monthly U.S. liquefied natural gas exports by destination region (Jan 2020–Apr 2022)
 billion cubic feet per day



pipeline imports from Russia. The US became the largest LNG supplier to the EU and United Kingdom in 2021, accounting for 26% of total imports. In the first four months of 2022, LNG imports from the US to the EU and the United Kingdom have more than tripled, compared with 2021, averaging 7.3 Bcf/d and accounting for 49% of total imports LNG imports from Russia and Qatar accounted for 14% each (2.1 Bcf/d). During the first four months of 2022, US LNG exports to Asia declined by 51%, averaging 2.3 Bcf/d compared with 4.6 Bcf/d (annual average) in 2021. China and South Korea were top destinations for US LNG exports in 2021. This year, however, China received only six LNG cargoes from the US in January-April 2022 (0.2 Bcf/d, compared with 1.2 Bcf/d in 2021) because pandemic-related lockdown measures, as well as a mild winter and high LNG spot prices, reduced demand for spot LNG imports. US LNG exports to South Korea and Japan also declined by 0.6 Bcf/d and 0.5 Bcf/d, respectively.

“There is plenty of room for pleasure in life, and lots of things can bring you pleasure. But no *thing* can make you happy. Experiences can make you happy. People can make you happy. You can make you happy.” -Robert Lustig, M.D.¹