

## Newstracker:

-Natural gas spot prices fell at most locations from Wednesday, May 25 to Wednesday, June 1 (the Report Week), during which the Henry Hub spot price fell 88 cents to \$8.42/MMBtu. International spot prices increased this Report Week with LNG cargoes in East Asia rising \$1.89 to a weekly average of \$23.77/MMBtu and prices at TTF in the Netherlands rising 59 cents to a weekly average of \$26.51/MMBtu. In the same week last year prices in East Asia and at TTF were \$10.54/MMBtu and \$9.12/MMBtu, respectively.


- The June 2022 NYMEX natural gas futures contract expired May 26 at \$8.908/MMBtu. The July 2022 NYMEX contract price fell 30 cents to \$8.696/MMBtu for the Report Week. The price of the 12-month strip averaging July 2022 through June 2023 futures contracts declined 15 cents to \$7.688/MMBtu.

-Net natural gas injections into storage totaled 90 Bcf for the week ending May 27, compared with the five-year average of 100 Bcf and last year's net injections of 100 Bcf during the same week. Working natural gas stocks totaled 1,902 Bcf, which is 337 Bcf (15%) lower than the five-year average and 397 Bcf (17%) lower than last year at this time.

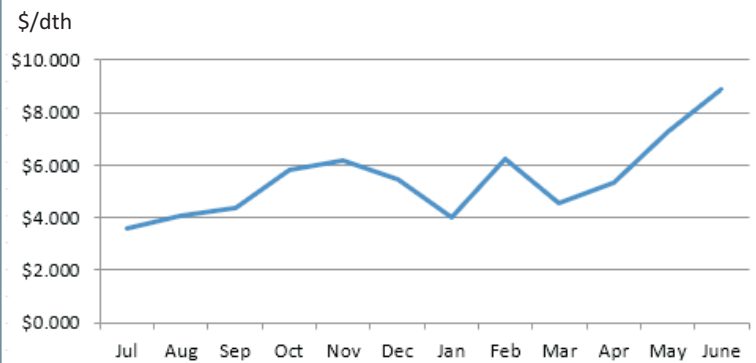
-Total US natural gas consumption fell by 4.3% (2.7 Bcf/d) for the Report Week. The residential and commercial sectors accounted for the largest decrease in consumption, falling by 19.7% (2.3 Bcf/d). Natural gas deliveries to US LNG export facilities fell slightly, averaging 12.8 Bcf/d, or 0.2 Bcf/d lower than last week. Industrial sector consumption declined by 1.8% (0.4 Bcf/d). Natural gas consumed for power generation also fell slightly, declining by 0.3% (0.1 Bcf/d) week over week. Natural gas exports to Mexico increased by 1.2% (0.1 Bcf/d).

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 41 cents/MMBtu, averaging \$12.83/MMBtu for the Report Week. The Brent crude oil price rose 5%, pulling up the prices of heavier natural gas liquids. The propane price rose 3%, widening the propane discount to crude oil by 8%.

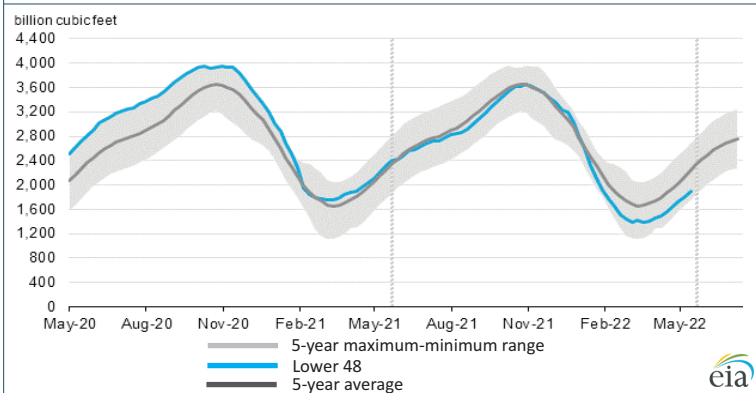
For the week ending Tuesday, May 24, the natural gas rig count increased by 1 rig from the previous week to 151 rigs. The number of oil-directed rigs decreased by 2 rigs to 574 rigs. The total rig count now stands at 727 and is 270 rigs more than the same week last year.

Excerpted from 

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



## Working natural gas in underground storage as of May 27, 2022

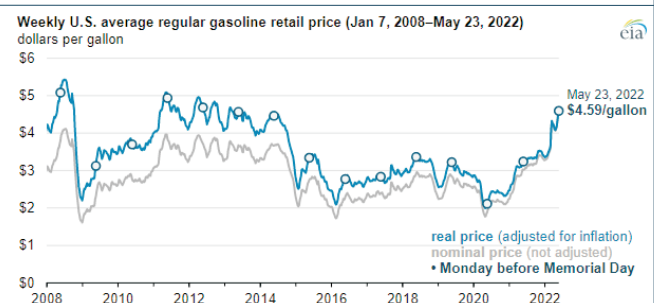


## Forward 12-month NYMEX natural gas strip price - Jul22-Jun23:

Process Load-weighted \$7.688/dth - w/o/w = ▼\$0.152  
 Typical Heat Load-weighted \$7.909/dth - w/o/w = ▼\$0.183

## Memorial Day real gasoline prices highest since 2012, near record levels:

On May 23, the US average retail price of regular gasoline was \$4.59/gal, the highest inflation-adjusted (real) price since 2012. On a nominal basis, this price is the all-time highest price for gasoline dating back to 1990. The high price is currently driven by several factors, including the price of crude oil, the effects of Russia's invasion of Ukraine, and rising US gasoline demand outpacing refinery runs. The price of Brent crude oil, the largest component of the gasoline price, has been rising since April of 2020. The rising oil price has been mostly due to global petroleum demand increasing faster than production. In the US, relatively low returns have led to pressure from investors for producers to maintain capital discipline, resulting in production restraint despite high prices. Gasoline demand in the US is growing faster than gasoline production, which has reduced gasoline inventories. Gasoline demand has increased significantly since April 2020, when it fell 38% below 2019 levels. Total refining capacity has decreased since 2020 because of several refinery closures and conversions. Gross inputs into refineries are only slightly above the five-year average even though refinery utilization is at the top of the five-year range, which indicates that refineries may be running closer to maximum capacity utilization than gross inputs alone would indicate. The faster increase in gasoline demand compared with production has led to inventories draws, and US gasoline inventories are currently 8% below the five-year average for this time of year. Retail gasoline prices across the US were above \$4.00/gal heading into the Memorial Day weekend. On May 23, Gulf Coast prices were \$4.16/gal, the lowest regional price, and West Coast prices were \$5.36/gal, the highest regional price. AAA forecasted that despite the high gasoline prices, 34.9 million people would travel 50 miles or more from home on Memorial Day, up 5% from 2021 but down 7% from 2019.



“Every minute looking backwards is a minute wasted not looking toward the future.” -Allan Housley