
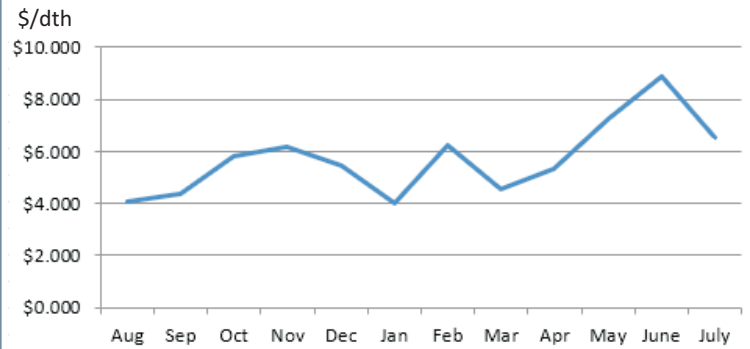


Newstracker:

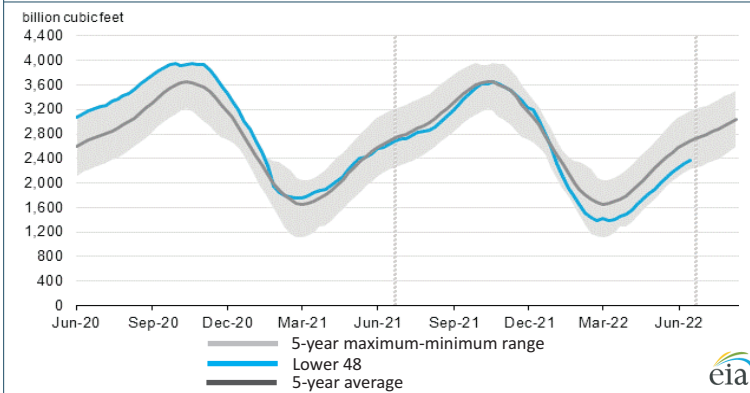
- Natural gas spot prices rose at most locations from Wednesday, July 6 to Wednesday, July 13 (the Report Week), during which the Henry Hub spot price rose one dollar to \$6.63/MMBtu.
- The August 2022 NYMEX natural gas futures contract increased \$1.179 to \$6.689/MMBtu for the Report Week. The price of the 12-month strip averaging August 2022 through July 2023 futures contracts climbed 81.2 cents to \$5.934/MMBtu. International futures prices increased this Report Week, also, with LNG cargoes in East Asia averaging \$39.13/MMBtu, and natural gas futures for delivery at the Title Transfer Facility (TTF) in the Netherlands averaging \$51.88/MMBtu.
- Net natural gas injections into storage totaled 58 Bcf for the week ending July 8, compared with the five-year average net injections of 55 Bcf and last year's net injections of 49 Bcf during the same week. Working natural gas stocks totaled 2,369 Bcf, which is 319 Bcf (10%) lower than the five-year average and 252 Bcf (12%) lower than last year at this time.
- Total US consumption of natural gas rose by 2.5% (1.8 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation climbed by 5.0% (2.0 Bcf/d) week over week, industrial sector consumption decreased by 0.4% (0.1 Bcf/d), and residential and commercial consumption declined by 1.5% (0.1 Bcf/d). Natural gas exports to Mexico increased 1.8% (0.1 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 11.1 Bcf/d, or 0.1 Bcf/d lower than last week.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 13 cents/MMBtu, averaging \$11.32/MMBtu for the week ending July 13. Weekly average natural gas prices at the Houston Ship Channel rose 9%, while the price of ethane fell 2%. The butane price fell 3%, following the 3% decrease in the Brent crude oil price. The propane price fell 1%.
- For the week ending Tuesday, July 6, the natural gas rig count was unchanged from a week ago at 153 rigs. The number of oil-directed rigs increased by 2 rigs to 597 rigs. The total rig count now stands at 752 rigs, the highest level since March 20, 2020, and 273 rigs more than the same week last year.

Excerpted from 

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



Working natural gas in underground storage as of July 8, 2022



Forward 12-month NYMEX natural gas strip price - Aug22-Jul23:

Process Load-weighted \$5.934/dth - w/o/w = ▲ \$0.812
Typical Heat Load-weighted \$6.208/dth - w/o/w = ▲ \$0.868

US average monthly Henry Hub spot price more than doubles in 12 months:

Over the past 12 months (July 2021-June 2022), the average monthly spot natural gas price at the US Henry Hub benchmark has more than doubled, rising \$3.86/MMBtu to \$7.70/MMBtu. Prices have generally increased over this period because inventory levels have remained below average because of demand growth outpacing growth in domestic production. From June 8 to July 6 natural gas prices decreased by about 40% as domestic natural gas supply and demand became more balanced, driven largely by an outage at the Freeport liquefied natural gas (LNG) export terminal. In the summer of 2021, high demand for natural gas for electric power generation along with high levels of exports of natural gas led to lower-than-average inventory builds, putting upward pressure on prices. This upward price pressure continued until December 2021 when, as a result of mild weather and low space heating demand, natural gas inventories built back to their five-year (2016-2020) average level, putting downward pressure on prices. After reaching an average of \$5.51/MMBtu in October 2021, the Henry Hub spot price decreased to \$3.76/MMBtu in December 2021. However, from January through March 2022, total consumption of natural gas exceeded the five-year (2017-2021) average as colder-than-normal temperatures returned. In addition, limitations on natural gas-to-coal switching in the electric power sector and growth in LNG exports because of increased LNG export capacity also contributed to higher overall US natural gas demand. As a result, the US entered the injection season in April with the least amount of natural gas in storage in three years, and the Henry Hub spot price increased each month from January 2022 through May 2022. After reaching a nominal price of \$8.14/MMBtu in May, the Henry Hub spot price decreased to a monthly average of \$7.70/MMBtu in June following the shutdown of the Freeport LNG export terminal, which is not expected to partially resume operations until October 2022. The shutdown is estimated to have reduced US export capacity by approximately 2.0 Bcf/d.

Monthly average Henry Hub natural gas spot price (Jan 1997–Jun 2022)
dollars per million British thermal units



“What does it mean to pre-board? Do you get on before you get on?” -George Carlin¹