

Newstracker:

-Natural gas spot prices fell at most locations from Wednesday, June 29 to Wednesday, July 6 (the Report Week), during which the Henry Hub spot price fell \$1.04/MMBtu to \$5.63/MMBtu. International natural gas spot prices increased this Report Week LNG prices in East Asia increasing \$1.56 to a weekly average of \$38.43/MMBtu, and European prices at TTF in the Netherlands increasing \$7.62 to a weekly average of \$47.99/MMBtu. In the same week last year, East Asia and TTF prices were \$13.17/MMBtu and \$12.27/MMBtu, respectively.

-The price of the August 2022 NYMEX natural gas futures contract decreased 98.8 cents to \$5.510/MMBtu for the Report Week. The price of the 12-month strip averaging August 2022 through July 2023 futures contracts declined 80.8 cents to \$5.122/MMBtu.

-Net natural gas injections into storage totaled 60 Bcf for the week ending July 1, compared with the five-year average of 60 Bcf and last year's net injections of 25 Bcf during the same week. Working natural gas stocks totaled 2,311 Bcf, which is 322 Bcf (12%) lower than the five-year average and 261 Bcf (10%) lower than last year at this time.

-Total US natural gas consumption rose 1.8% (1.3 Bcf/d) for the Report Week. Natural gas consumed for power generation climbed by 2.6% (1.0 Bcf/d), and residential and commercial consumption increased 4.1% (0.3 Bcf/d). Industrial sector consumption fell 0.5% (0.1 Bcf/d), while natural gas exports to Mexico were flat. Natural gas deliveries to US LNG export facilities averaged 11.2 Bcf/d, or 0.7 Bcf/d higher than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 98 cents/MMBtu, averaging \$11.46/MMBtu for the week ending July 6. The Brent crude oil price fell 3% week over week. The propane price fell 2%, reducing the propane-to-crude oil discount by 4%.

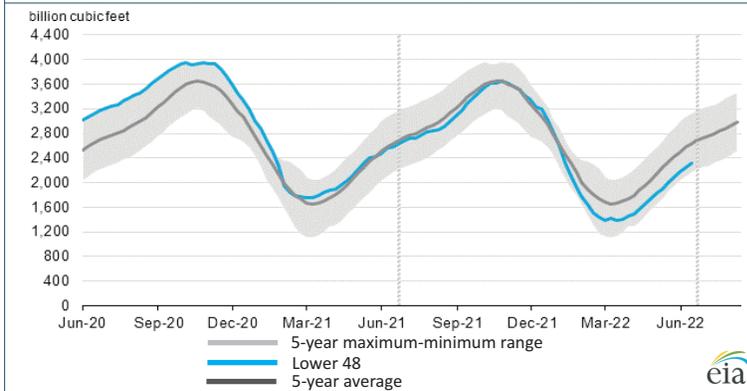
-For the week ending Tuesday, June 28, the natural gas rig count decreased by 4 rigs from a week ago to 153 rigs. The number of oil-directed rigs increased by 1 rig to 595 rigs. The total rig count now stands at 750 rigs.

Excerpted from 

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



Working natural gas in underground storage as of July 1, 2022

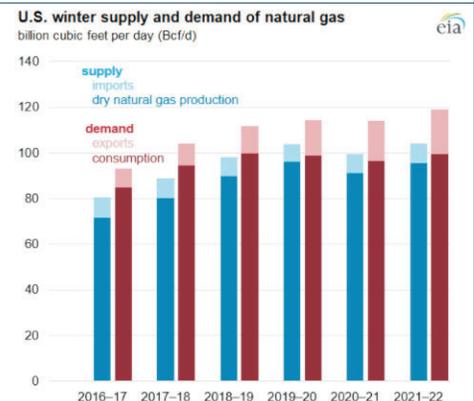


Forward 12-month NYMEX natural gas strip price - Aug22-Jul23:

Process Load-weighted \$5.122/dth - w/o/w = ▼\$0.808
 Typical Heat Load-weighted \$5.340/dth - w/o/w = ▼\$0.881

Record US natural gas demand this winter led to the largest storage withdrawal in four years:

Net natural gas withdrawals from storage totaled 2,264 Bcf this winter (November through March), the highest winter natural gas withdrawal since the winter of 2017/2018 and 10% more than the five-year (2016-2021) average winter draw. Net natural gas withdrawals typically occur from November through March as demand exceeds supply, and natural gas must be drawn from storage to meet this excess demand. Working natural gas storage levels at the end of March 2022 were 1,401 Bcf, 11 Bcf higher than March 2018. This past winter, US demand for natural gas exceeded supply of natural gas by an average 14.9 Bcf/d. Averages of both US supply and demand of natural gas set records this past winter at 104.3 Bcf/d and 119.2 Bcf/d, respectively. However, the supply and demand imbalance was greater in the winter of 2017/2018, resulting in a larger withdrawal from natural gas storage compared with this past winter. US dry natural gas production increased this winter compared with last winter and averaged 95.6 Bcf/d, close to its highest winter level of 96.0 Bcf/d in 2019/2020. Production has been generally increasing since 2020, after declining because of lower prices and reduced natural gas demand, but natural gas production during the winter did not reach its pre-COVID-19 pandemic level. Imports of natural gas also increased this winter, averaging 8.7 Bcf/d. US consumption of natural gas rose to 99.5 Bcf/d this winter—just 0.4 Bcf/d below the 2018/2019 winter record—because of higher natural gas consumption in the electric power sector, which rose by 2.0 Bcf/d compared with last winter. In addition, a colder-than-normal January contributed to above-average storage withdrawals for that month. Total demand, which includes domestic consumption and exports, was the highest on record this winter averaging 119.2 Bcf/d. A 2.0 Bcf/d rise in exports drove the growth, most of which was due to a 1.8 Bcf/d rise in LNG exports.



“It’s not what you do some of the time that counts, it’s what you do all of the time that counts.” -Jack Lalanne¹