

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, August 3 to Wednesday, August 10 (the Report Week), during which the Henry Hub spot price rose 6 cents from \$7.83/MMBtu to \$7.89/MMBtu.


-The price of the September 2022 NYMEX natural gas futures contract decreased 6 cents from \$8.266/MMBtu to \$8.202/MMBtu for the Report Week. The price of the 12-month strip averaging September 2022 through August 2023 futures contracts declined 2 cents to \$6.732/MMBtu. Weekly average LNG futures prices in East Asia increased 65 cents to a weekly average of \$44.61/MMBtu, and natural gas futures for delivery at TTF in the Netherlands decreased 38 cents to a weekly average of \$59.16/MMBtu.

-Net natural gas injections into storage totaled 44 Bcf for the week ending August 5, compared with the five-year average of 45 Bcf and last year's net injections of 44 Bcf during the same week. Working natural gas stocks totaled 2,501 Bcf, which is 338 Bcf (12%) lower than the five-year average and 268 Bcf (10%) lower than last year at this time. The average rate of injections into storage is 5% lower than the five-year average so far in the refill season (April through October). If the rate of injections into storage matched the five-year average of 9.3 Bcf/d for the remainder of the refill season, the total inventory would be 3,307 Bcf on October 31, which is 338 Bcf lower than the five-year average of 3,645 Bcf for that time of year.

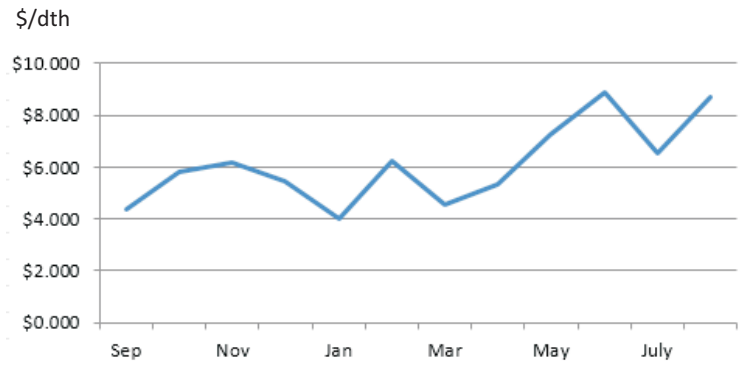
-US consumption of natural gas rose by 2.7% (1.9 Bcf/d) for the Report Week. Natural gas consumed for power generation climbed by 4.0% (1.7 Bcf/d). US industrial sector consumption increased by 0.6% (0.1 Bcf/d). Residential and commercial sector consumption increased by 1.4% (0.1 Bcf/d). Natural gas exports to Mexico decreased 3.3% (0.2 Bcf/d). Natural gas deliveries to US LNG export facilities were 0.1 Bcf/d lower at 10.8 Bcf/d.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 49 cents/MMBtu, averaging \$10.90/MMBtu for the week ending August 10. Propane prices fell 5%. Brent crude oil also fell 5%, narrowing the propane discount to crude oil.

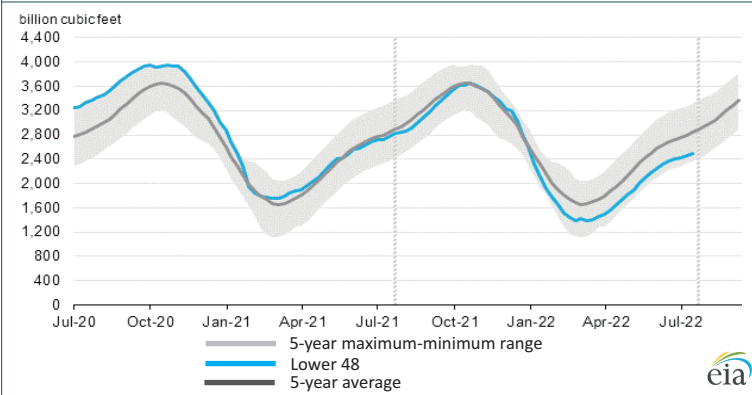
-For the week ending Tuesday, August 2, the natural gas rig count increased by 4 rigs from a week ago to 161 rigs. The number of oil-directed rigs decreased by 7 to 598 rigs. The total rig count now stands at 764 rigs.

Excerpted from 

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



Working natural gas in underground storage as of August 5, 2022




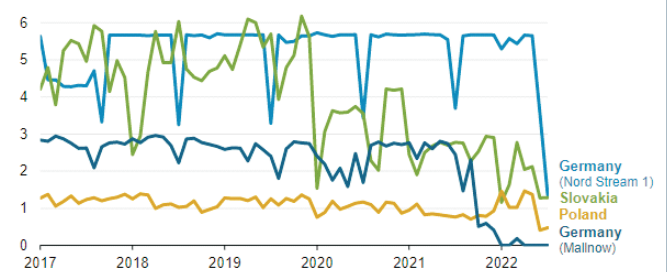
Forward 12-month NYMEX natural gas strip price - Sep22-Aug23:

Process Load-weighted \$6.732/dth - w/o/w = ▼\$0.016
 Typical Heat Load-weighted \$7.348/dth - w/o/w = ▼\$0.036

Russia's natural gas pipeline exports to Europe decline to almost 40-year lows:

Russia's natural gas exports by pipeline to the EU and the UK declined by almost 40% during the first seven months of 2022 compared with the same period in 2021 and by almost 50% compared with the previous five-year (2017-21) average. In mid-July 2022, exports declined to 1.2 Bcf/d, the lowest level in nearly 40 years. Between 2016 and 2020, Russia had accounted for about one-third of the EU's and the UK's supply of natural gas via pipeline. Russia exports natural gas to the EU and the UK through three major pipeline corridors, which account for approximately 16.0 Bcf/d of import pipeline capacity when combined with smaller interconnections, according to data from Gazprom. Russia's natural gas pipeline exports to the EU and the UK have been declining since 2020, initially as a result of reduced demand in Europe because of responses to the COVID-19 pandemic. In mid-2021, Russia began to limit its natural gas exports to Europe to long-term contracted volumes only and ended spot-market sales. Russia's natural gas exports to the EU and the UK averaged 16.0 Bcf/d in 2019, 12.4 Bcf/d in 2020, and 10.9 Bcf/d in 2021. The most significant decline in Russia's exports has been into Germany via the Nord Stream 1 pipeline. Exports on Nord Stream 1 declined to 1.4 Bcf/d in July, only 20% of its design capacity of 5.6 Bcf/d. Pipeline flows from Russia into Slovakia averaged 1.8 Bcf/d so far in 2022, compared with the previous five-year average of 4.2 Bcf/d for the same period. Pipeline flows declined, in part, because a natural gas compressor station located in Ukraine was taken offline. Russia's natural gas deliveries into Poland and neighboring countries via Belarus averaged 0.9 Bcf/d from January 2021 through April 2022, declining to 0.2 Bcf/d since then. To compensate for lower natural gas pipeline exports from Russia, the EU and the UK have been importing record-high volumes of LNG this year, particularly from the US.

Monthly natural gas pipeline exports from Russia to Europe (Jan 2017-Jul 2022) 



"It's a round ball and a round bat, and you got to hit it square." -Pete Rose¹