

## Newstracker:

-Natural gas The Henry Hub spot price spot prices fell at most locations from Wednesday, August 17, to Wednesday, August 24 (the Report Week), during which the Henry Hub spot price fell 22 cents to \$9.29/MMBtu.

-The price of the September 2022 NYMEX natural gas futures contract increased 8.6 cents to \$9.330/MMBtu for the Report Week. The price of the 12-month strip averaging September 2022 through August 2023 futures contracts climbed 11.4 cents to \$7.659/MMBtu. Weekly average futures prices for LNG cargoes in East Asia increased \$9.06 to a weekly average of \$59.01/MMBtu, and natural gas futures for delivery at the TTF in the Netherlands increased \$12.53 to a weekly average of \$77.60/MMBtu.

-Net natural gas injections into storage totaled 60 Bcf for the week ending August 19, compared with the five-year average net injections of 46 Bcf and last year's net injections of 32 Bcf during the same week. Working natural gas stocks totaled 2,579 Bcf, which is 353 Bcf (12%) lower than the five-year average and 268 Bcf (9%) lower than last year at this time.

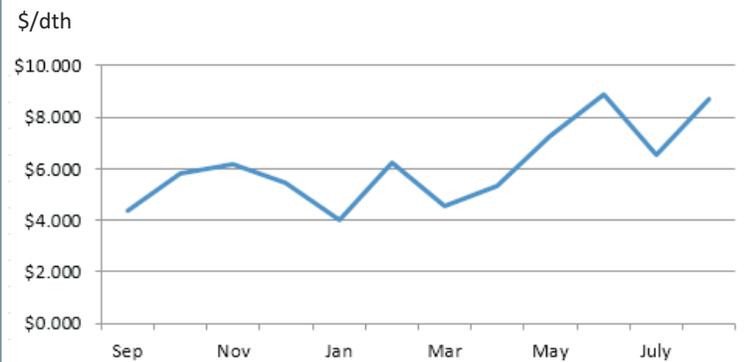
-Total US consumption of natural gas fell by 0.3% (0.2 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation declined by 0.7% (0.3 Bcf/d) week over week. Industrial sector consumption decreased by 0.6% (0.1 Bcf/d) week over week. In the residential and commercial sectors, consumption increased by 2.5% (0.2 Bcf/d). Natural gas exports to Mexico decreased 2.4% (0.1 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 11.1 Bcf/d, or 0.1 Bcf/d higher than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 40 cents/MMBtu, averaging \$11.75/MMBtu for the Report Week. The price of ethane rose 3%, following natural gas prices at the Houston Ship Channel, which rose 5%. The Brent crude oil price rose 2%. The propane price rose by 3%.

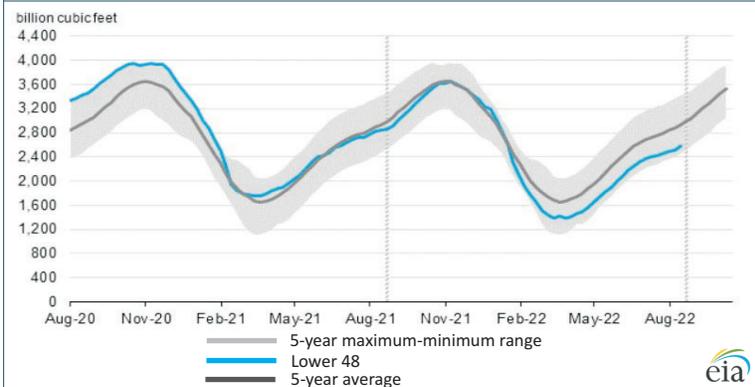
-For the week ending Tuesday, August 16, the natural gas rig count decreased by 1 rig from a week ago to 159 rigs. The number of oil-directed rigs was the same as a week ago at 601 rigs. The total rig count now stands at 762 rigs, which is 259 more than the same week last year.

Excerpted from 

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



## Working natural gas in underground storage as of August 19, 2022

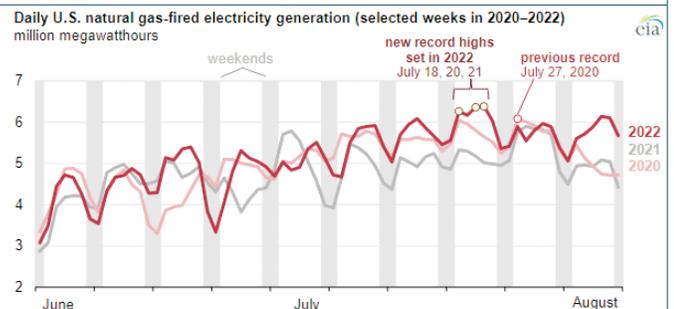


## Forward 12-month NYMEX natural gas strip price - Sep22-Aug23:

Process Load-weighted \$7.659/dth - w/o/w = ▲ \$0.114  
 Typical Heat Load-weighted \$8.354/dth - w/o/w = ▲ \$0.113

## Daily US electricity generation from natural gas hit a record in mid-July:

In the US Lower 48 states, electric power generated by natural gas-fired power plants reached 6.37 million megawatthours on July 21, 2022. Despite relatively high natural gas prices, demand for natural gas for electricity generation has been strong throughout July as a result of above-normal temperatures, reduced coal-fired electricity generation, and recent natural gas-fired capacity additions. US electricity demand usually peaks in the summer because of demand for air conditioning. This past July was especially hot, ranking as the third hottest on record in the US. Before this year, the previous daily peak for natural gas-fired electricity generation had occurred on July 27, 2020, when natural gas prices were historically low. In July 2020, the Henry Hub natural gas price averaged \$1.77/MMBtu. This July, the natural gas price averaged \$7.28/MMBtu. Typically, higher natural gas prices reduce natural gas price competitiveness relative to other sources, especially coal. This summer, coal-fired power plants have not been used as much as in prior summers. Continued retirements of coal-fired generating plants, relatively high coal prices, and lower-than-average coal stocks at power plants have limited coal consumption. In May, coal inventories at power plants averaged 20% lower than the prior-year levels. New capacity has increased the availability and use of natural gas-fired electricity. Over the past 10 years, developers have added about 62 gigawatts of combined-cycle gas turbine capacity. The increased number of combined-cycle gas turbines in use has led to efficiency gains and less conversion losses, which means more electricity can be generated from the same amount of natural gas. This increased efficiency also underscores the extent to which July's record use of natural gas could have been much higher with the less efficient turbines of previous years.



"I have never met a man so ignorant that I couldn't learn something from him." -Galileo Galilei<sup>1</sup>