

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, September 7 to Wednesday, September 14 (the Report Week), during which the Henry Hub spot price rose 56 cents to \$8.69/MMBtu.

-The price of the October 2022 natural gas futures NYMEX contract increased \$1.272 to \$9.114 during the Report Week. The price of the 12-month strip averaging October 2022 through September 2023 futures contracts climbed 89.9 cents to \$7.424/MMBtu. International natural gas futures prices declined this Report Week with weekly average futures prices for LNG cargoes in East Asia decreasing \$2.88 to a weekly average of \$53.19/MMBtu, and natural gas futures for delivery at the TTF in the Netherlands decreasing \$5.68 to a weekly average of \$60.81/MMBtu.

-US net natural gas injections into storage totaled 77 Bcf for the week ending September 9, compared with the five-year average net injections of 82 Bcf and last year's net injections of 78 Bcf during the same week. Working natural gas stocks totaled 2,771 Bcf, which is 354 Bcf (11%) lower than the five-year average and 223 Bcf (7%) lower than last year at this time.

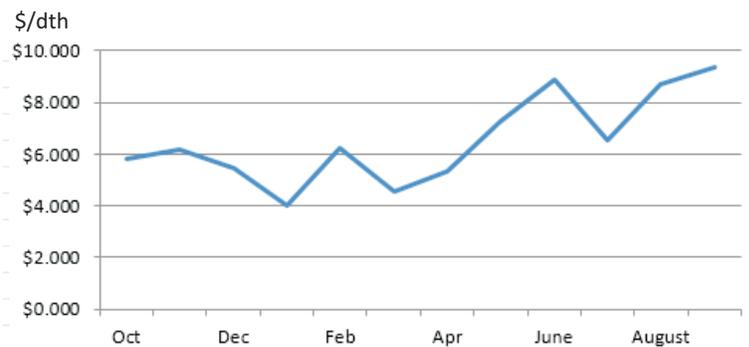
-Total US consumption of natural gas fell by 3.9% (2.7 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation declined by 8.1% (3.2 Bcf/d). Industrial sector consumption increased by 0.6% (0.1 Bcf/d), while consumption in the residential and commercial sectors increased by 4.9% (0.4 Bcf/d). Natural gas exports to Mexico increased 3.7% (0.2 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 11.2 Bcf/d, or 0.1 Bcf/d lower than last week.

-The US average total supply of natural gas fell by 0.8% (0.9 Bcf/d) compared with the previous Report Week, during which dry natural gas production decreased by 0.3% (0.3 Bcf/d). Average net imports from Canada decreased by 9.6% (0.6 Bcf/d) for the Report Week.

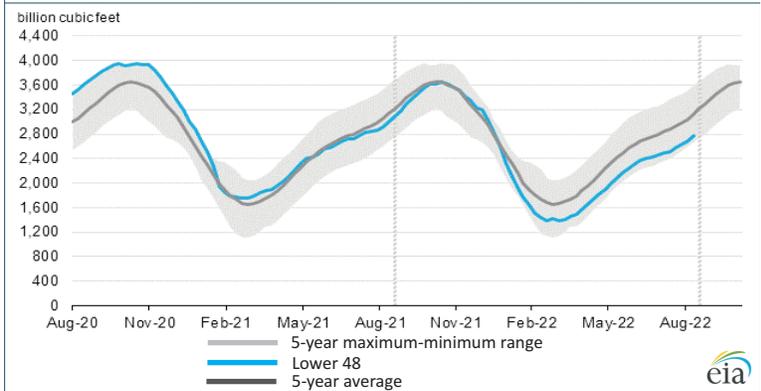
-For the week ending Tuesday, September 6, the natural gas rig count increased by 4 rigs from a week ago to 166 rigs. The number of oil-directed rigs decreased by 5 rigs from a week ago to 591 rigs. The total rig count now stands at 759 rigs, which is 256 more than the same week last year.

Excerpted from 

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



Working natural gas in underground storage as of September 9, 2022

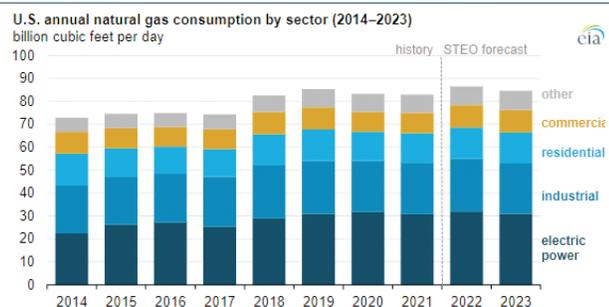


Forward 12-month NYMEX natural gas strip price - Oct22-Sep23:

Process Load-weighted \$7.424/dth - w/o/w = ▲ \$0.899
 Typical Heat Load-weighted \$8.247/dth - w/o/w = ▲ \$1.088

The US EIA forecasts record US natural gas consumption in 2022:

The US Energy Information Administration (EIA) forecasts that natural gas consumption will increase by 3.6 Bcf/d in the US during 2022 to average 86.6 Bcf/d for the year, the most annual US natural gas consumption on record. EIA's forecast shows an increase in all end-use sectors for 2022, with the electric power sector growing by 4% to 32.1 Bcf/d, exceeding the 2020 record by 1%, which is the highest growth rate among all sectors. The electric power sector uses more natural gas than any other US end-use sector. When natural gas prices are relatively high, power providers have historically switched to cheaper fuels such as coal for electricity generation. Despite a large increase in natural gas prices this year, natural gas consumption in the electric power sector increased 7% in the first eight months of 2022, compared with the first eight months of 2021, averaging 33.2 Bcf/d. The natural gas price at the Henry Hub benchmark averaged \$6.41 MMBtu in the first eight months of 2022, compared with \$3.43/MMBtu in 2021 and \$1.86/MMBtu in 2020. Coal-fired power plants have been limited in their ability to increase power generation in 2022, mostly due to coal capacity retirements along with historically low on-site inventories of coal, and constraints in fuel delivery to coal plants. Natural gas was crucial in meeting electricity demand peaks during record-high temperatures in summer 2022. The EIA forecasts that natural gas consumption will increase in the residential, commercial, and industrial sectors. Cold temperatures this past January increased demand for space heating in buildings, particularly in the residential and commercial sectors. Compared with their five-year (2017-21) January averages, both residential and commercial natural gas consumption were 8% higher this January. The forecast calls for natural gas consumption to increase this year in the residential sector by 0.9 Bcf/d, in the commercial sector by 0.7 Bcf/d, and in the industrial sector by 0.4 Bcf/d from 2021.



"The life of the nation is secure only while the nation is honest, truthful, and virtuous." -Frederick Douglass¹