

Newstracker:

-Natural gas spot prices declined at most locations from Wednesday, October 5, to Wednesday, October 12 (the Report Week), during which the Henry Hub spot price rose 41 cents to \$6.47/MMBtu.


-The price of the November 2022 NYMEX natural gas futures contract decreased 49.5 cents to \$6.435/MMBtu for the Report Week. The price of the 12-month strip averaging November 2022 through October 2023 futures contracts declined 9.7 cents to \$5.733/MMBtu. International futures prices declined this Report Week, with LNG cargoes in East Asia decreasing to a weekly average of \$34.81/MMBtu, and natural gas futures for delivery at the TTF in the Netherlands decreasing to a weekly average of \$45.83/MMBtu.

-Net natural gas injections into storage totaled 125 Bcf for the week ending October 7, compared with the five-year average net injections of 82 Bcf and last year's net injections of 86 Bcf during the same week. Working natural gas stocks totaled 3,231 Bcf, which is 221 Bcf (6%) lower than the five-year average and 126 Bcf (4%) lower than last year at this time.

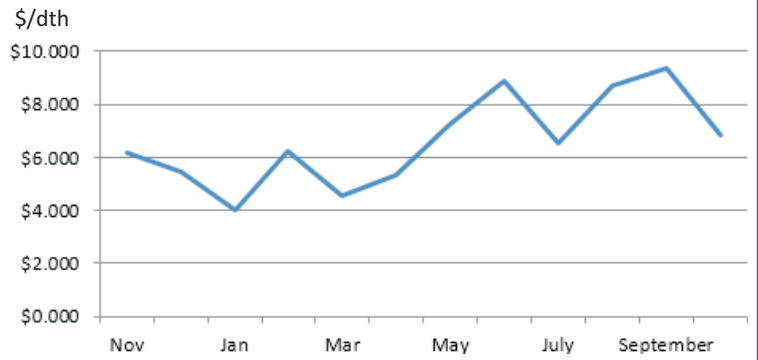
-Total US consumption of natural gas rose by 3.2% (2.1 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation climbed by 4.5% (1.3 Bcf/d) week over week. Industrial sector consumption remained relatively flat week over week, while consumption in the residential and commercial sectors increased by 5.6% (0.8 Bcf/d). Natural gas exports to Mexico decreased 1.0% (0.1 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 10.8 Bcf/d, or 0.5 Bcf/d lower than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose 27 cents/MMBtu, averaging \$9.17/MMBtu for the week ending October 12. The natural gasoline price rose 4%, following the price of Brent crude oil, which rose 6%. The propane price remained unchanged. The increase in the price of Brent crude oil widened the propane discount to crude oil by 15%.

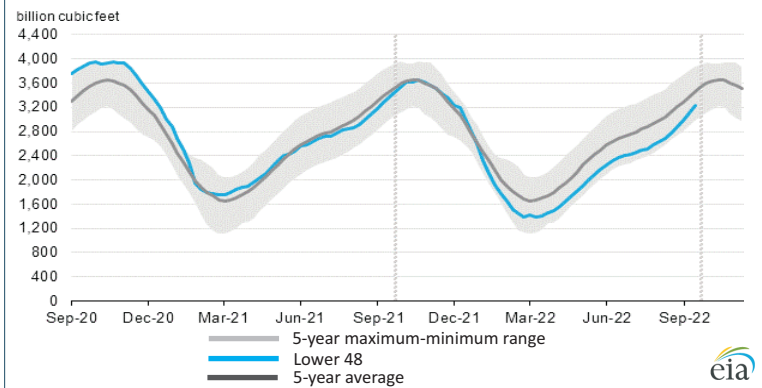
-For the week ending Tuesday, October 4, the natural gas rig count decreased by 1 rig from a week ago to 158 rigs. The number of oil-directed rigs decreased by 2 rigs from a week ago to 602 rigs. The total rig count, which includes 2 miscellaneous rigs, now stands at 762 rigs, which is 22^a more than 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 Oct. 7, 2022

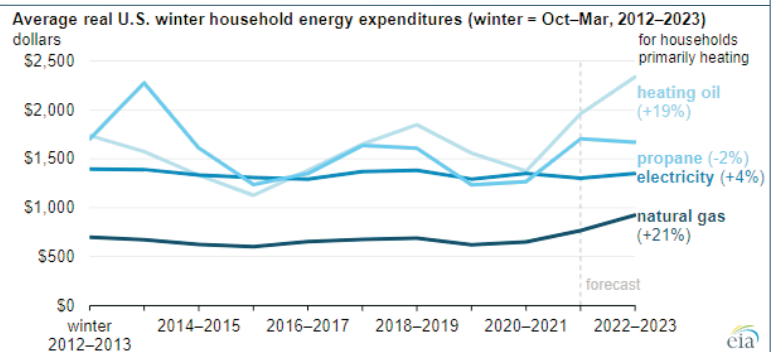


Forward 12-month NYMEX natural gas strip price - Nov22-Oct23:

Process Load-weighted \$5.733/dth - w/o/w = ▼\$0.097
 Typical Heat Load-weighted \$6.188/dth - w/o/w = ▼\$0.246

EIA expects most US households will spend more on energy this winter:

The US Energy Information Administration (EIA) forecasts that most US households will spend more money on energy this winter (November to March) than last winter based on projected higher retail energy prices and a slightly colder winter. Forecast expenditures reflect consumption across all residential energy uses, not just home heating. Almost 90% of US homes are heated primarily by natural gas or electricity. EIA expects wholesale prices for natural gas to be higher this winter than last winter, leading to higher retail prices for both natural gas and electricity this winter. Natural gas is the most common fuel used to generate electricity in the US. EIA projects retail heating oil prices will be 19% higher than last winter, reflecting price pressures in the distillate fuel oil market: low inventories, low imports, and limited refining capacity. Unlike other fuels, EIA expects propane prices to fall slightly, by 2%, this winter. EIA also factors NOAA's expectation of a slightly colder winter relative to both last winter and the previous 10-year average into their forecast, as colder weather will increase energy consumption across all fuels and regions. EIA reports that inventories across a range of heating fuels are low, creating the possibility for high price volatility and price spikes, particularly if this winter turns out to be very cold.



“Losing streaks are funny. If you lose at the beginning you got off to a bad start. If you lose in the middle of the season, you're in a slump. If you lose at the end, you're choking.” -Gene Mauch¹