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Energy Market Report

Report Date: December 9, 2022
Report Week: November 30, 2022 to December 7, 2022

Questions?
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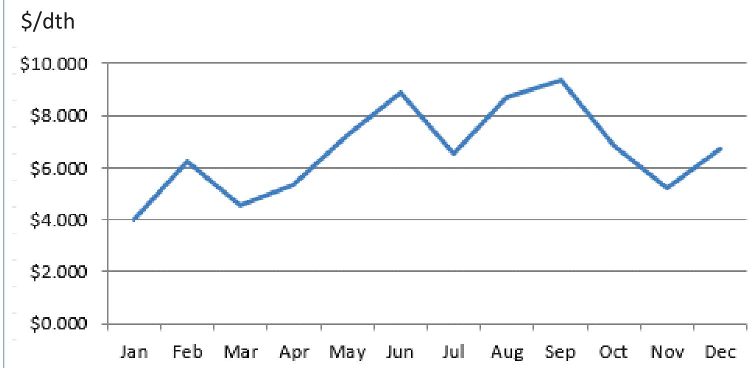
Newstracker:

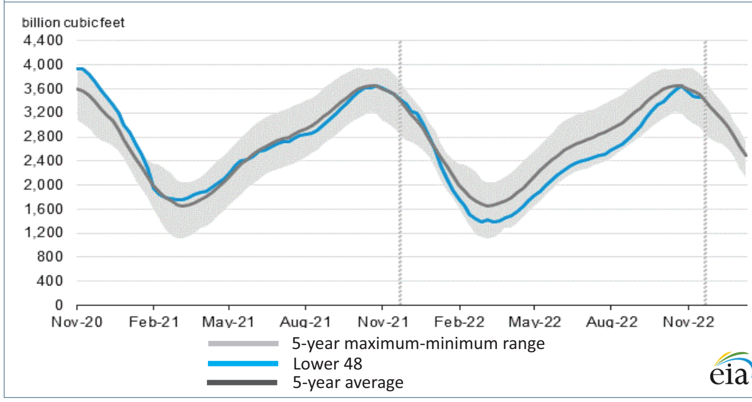
-Natural gas spot prices were mixed from Wednesday, November 30, to Wednesday, December 7 (the Report Week), during which the Henry Hub spot price fell $2.27 to $4.53/MMBtu.
-The January 2023 NYMEX natural gas futures contract decreased $1.207 to $5.723/MMBtu for the Report Week. The price of the 12-month strip averaging January 2023 through December 2023 futures contracts declined 67.7 cents to $5.032/MMBtu. International natural gas futures prices increased this Report Week, with weekly average futures prices for cargoes in East Asia increasing $1.97 to a weekly average of $32.98/MMBtu and natural gas futures for delivery at TTF in the Netherlands increasing $2.94 to a weekly average of $42.95/MMBtu
-Net natural gas withdrawals from storage totaled 21 Bcf for the week ending December 2, compared with the five-year average net withdrawals of 49 Bcf and last year's net withdrawals of 59 Bcf during the same week. Working natural gas stocks totaled 3,462 Bcf, which is 58 Bcf (2%) lower than the five-year average and 51 Bcf (1%) lower than last year at this time.
-Total US consumption of natural gas rose by 8.6% (7.2 Bcf/d) versus the previous Report Week: natural gas consumed for power generation climbed by 8.8% (2.5 Bcf/d); industrial sector consumption increased by 2.2% (0.5 Bcf/d), and residential and commercial consumption increased by 13.4% (4.2 Bcf/d). Natural gas exports to Mexico decreased 3.0% (0.2 Bcf/d) for the Report Week. Natural gas deliveries to US LNG export facilities averaged 11.8 Bcf/d, or 0.2 Bcf/d higher than last week.
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell 52 cents/MMBtu, averaging $7.77/MMBtu for the week ending December 7. Propane prices fell 10%, while the weekly average price of Brent crude oil fell 3%, resulting in a 6% increase in the propane discount relative to crude oil.
-For the week ending Tuesday, November 30, the natural gas rig count remained the same as a week ago at 155 rigs. The number of oil-directed rigs also remained the same as last week at 627 rigs. The total rig count, which includes 2 miscellaneous rigs, stands at 784 rigs, 215 more rigs than the same week last year.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Jan 2022 - Dec 2022:



Working natural gas in underground storage as of Dec. 2, 2022

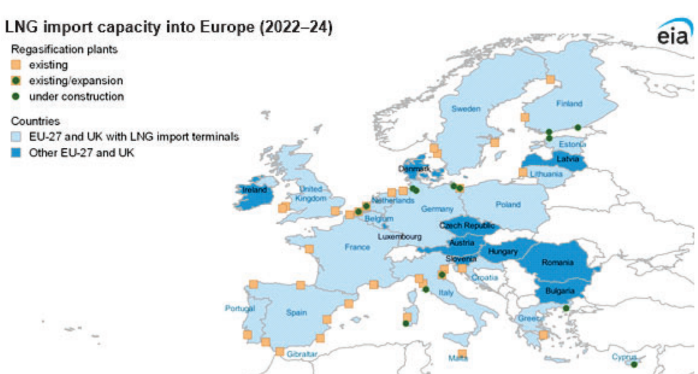


Forward 12-month NYMEX natural gas strip price - Jan22-Dec23:

Process Load-weighted $5.032/dth - w/o/w =▼$0.677
Typical Heat Load-weighted $5.241/dth - w/o/w =▼$0.811

Europe's LNG import capacity set to expand by one-third by end of 2024:

LNG import capacity in the European Union (EU) and the United Kingdom (UK) is forecasted to expand by 34%, or 6.8 Bcf/d, by 2024 compared with 2021. Expansions of import, or regasification, capacity will total 5.3the Bcf/d by end of 2023 and grow further by an additional 1.5 Bcf/d by the end of 2024. LNG regasification capacity in the EU-27 and the UK remained relatively stable and expanded modestly in the last 10 years, by 2.8 Bcf/d (16%), from 17.5 Bcf/d in 2012 to 20.2 Bcf/d at the end of 2021, according to data from GIIGNL. Since Russia's full-scale invasion of Ukraine in February 2022 and the reduction in natural gas pipeline imports from Russia that followed, European countries have reactivated development of previously dormant regasification projects and have started development of new projects. Many of the new regasification projects in Europe can be developed relatively quickly by chartering Floating Storage and Regasification Units (FSRUs) and by building pipelines to transport regasified natural gas to connecting pipelines onshore. Other regasification projects in Europe will expand capacity at the existing onshore terminals and implement upgrades to increase existing terminals' throughput. So far this year, approximately 1.7 Bcf/d of the new and expanded LNG regasification capacity has been added in the Netherlands, Poland, Finland, Italy, and Germany. The new EemsEnergy terminal in the Netherlands (0.8 Bcf/d capacity) consists of two FSRU vessels and received its first import cargo in September 2022. A new FSRU terminal at Wilhelmshaven Port in Germany (0.7 Bcf/d capacity) has been completed in November 2022. Regasification terminals currently under construction in seven EU countries could add an additional 3.5 Bcf/d of new capacity by the end of 2023.



> "The likelihood of one individual being right increases in direct proportion to the intensity to which others are trying to prove him wrong." -Harry Segall[1]

[1]https://www.azquotes.com/quote/738117