

Newstracker:


-Natural gas spot prices were mixed from Wednesday, December 14, to Wednesday, December 21 (the Report Week), during which the Henry Hub spot price fell 24 cents to \$3.11/MMBtu.

-The price of the February 2023 NYMEX natural gas futures contract decreased \$0.360 to \$3.311 for the Report Week. The price of the 12-month strip averaging January 2023 through December 2023 futures contracts declined 19.4 cents to \$3.553/MMBtu. International natural gas futures prices decreased this Report Week, with LNG cargoes in East Asia increasing \$2.82 to a weekly average of \$24.85/MMBtu and prices at TTF in the Netherlands decreasing \$1.92 to a weekly average of \$20.10/MMBtu.

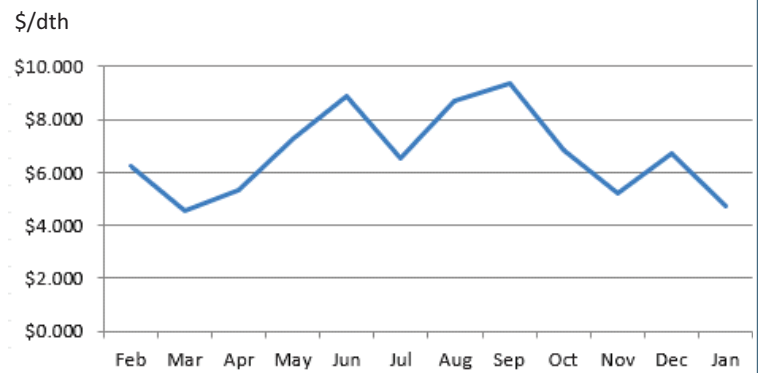
-Net natural gas withdrawals from storage totalled 82 Bcf for the week ending January 13, compared with the five-year (2018–2022) average net withdrawals of 156 Bcf and last year's net withdrawals of 203 Bcf during the same week. Working natural gas stocks totaled 2,820 Bcf, which is 34 Bcf (1%) more than the five-year average and 19 Bcf (5%) lower than last year. Total US natural gas consumption rose by 0.5% (0.5 Bcf/d) compared with the previous Report Week, during which: natural gas consumed for power generation rose by 1.0% (0.3 Bcf/d), industrial sector consumption was essentially unchanged, and residential and commercial sector consumption increased by 0.4% (0.2 Bcf/d). Although total consumption increased week over week, consumption in the first 18 days of January was 12% lower compared with the same days last year. Above-normal temperatures throughout most of the country have led to reduced demand for natural gas for space heating compared with a year ago. Natural gas exports to Mexico increased 0.7% (less than 0.1 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 12.4 Bcf/d, or 0.1 Bcf/d higher than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 51 cents/MMBtu, averaging \$8.17/MMBtu for the Report Week. Propane prices rose 12%, while the weekly average price of Brent crude oil rose 7%, resulting in a 2% decrease in the propane discount relative to crude oil.

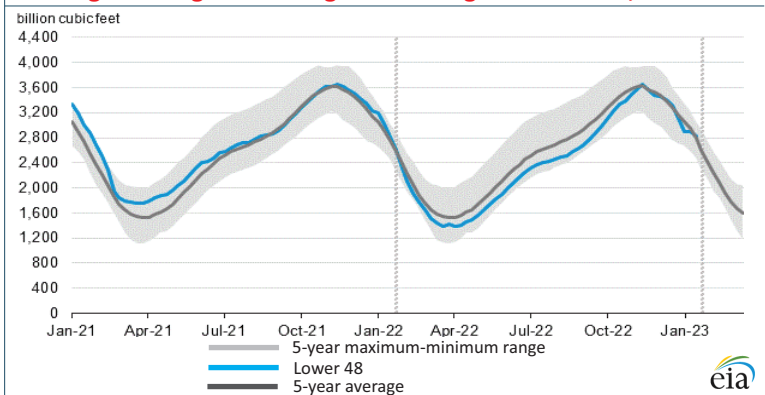
-For the week ending Tuesday, January 10, the natural gas rig count decreased by 2 to 150 rigs. The number of oil-directed rigs increased by 5 to 623 rigs. The total rig count, which includes 2 miscellaneous rigs, now stands at 775 rigs.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Feb 2022 - Jan 2023:



Working natural gas in underground storage as of Jan. 13, 2023

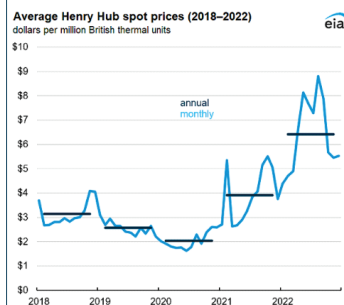


Forward 12-month NYMEX natural gas strip price - Feb23-Jan24:

Process Load-weighted \$3.553/dth - w/o/w = ▼\$0.194
 Typical Heat Load-weighted \$3.700/dth - w/o/w = ▼\$0.200

Natural gas consumption, production, and exports broke records in 2022 as real average prices hit 14-year high:

The US Energy Information Administration (EIA) estimates that US natural gas consumption reached record levels in 2022, averaging 88.7/Bcf/d in 2022, a 6% increase from 2021. EIA also reports that electric power sector consumption averaged 33.3 Bcf/d, an all-time high and up 8% from 2021. Although natural gas prices were high compared with the previous five years, coal supply constraints, relatively high coal prices, and below-average stockpiles at coal-burning power plants also contributed to less coal-fired power generation and more natural gas-fired power generation. Total natural gas consumption in 2022 also rose in the residential sector (5%) and the commercial sector (7%). US natural gas production reached a record high in 2022 as a result of continued decline in drilled but uncompleted wells; higher rig counts surpassing March 2020 levels; increased takeaway capacity to supply Gulf Coast LNG terminals; and, dry natural gas production averaged 98.0 Bcf/d in 2022, surpassing the 2021 all-time high by 3.5 Bcf/d. US natural gas storage inventories were historically low



for much of 2022, as temperature-related demand increases outpaced production growth. Lower-than-normal temperatures during the 2021–22 heating season (November 2021–March 2022) pushed natural gas inventories to a three-year low of 1,387/Bcf on March 31, 17% below the five-year average. Net withdrawals rose to a four-year high during the 2021–22 heating season. During the refill season (April 2022–October 2022), higher-than-normal summer temperatures contributed to below-average net injections into storage. However, mild temperatures combined with higher production led to above-average weekly injection volumes in September and October, resulting in storage inventories ending the refill season 3% below the year-ago and five-year averages. The 2022 average wholesale U.S. natural gas spot price at the Henry Hub was the highest in real and nominal terms since 2008, averaging \$6.45/MMBtu. Daily prices reached a high of \$9.85/MMBtu on August 22 and a low of \$3.46/MMBtu on November 9. US gross natural gas exports continued their upward trend, as LNG capacity and exports in 2022 surpassed those in 2021 and drove total exports higher.

“The safest course is to do nothing against one's conscience.
 With this secret, we can enjoy life and have no fear from death.” -Voltaire¹

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¹https://www.brainyquote.com/quotes/voltaire_132580