

Newstracker:

-Natural gas spot prices were mixed from Wednesday, January 18, to Wednesday, January 25 (the Report Week), during which the Henry Hub spot price fell 3 cents to \$3.08/MMBtu.

-The price of the February 2023 NYMEX natural gas futures contract decreased \$0.244 to \$3.067 for the Report Week. The price of the 12-month strip averaging January 2023 through December 2023 futures contracts declined 14.2 cents to \$3.411/MMBtu. International natural gas futures prices decreased this Report Week, with LNG cargoes in East Asia decreasing \$2.43 to a weekly average of \$22.42/MMBtu and prices at TTF in the Netherlands decreasing \$0.42 to a weekly average of \$19.67/MMBtu.

-Net natural gas withdrawals from storage totaled 91 Bcf for the week ending January 20, compared with the five-year average net withdrawals of 185 Bcf and last year's net withdrawals of 217 Bcf during the same week. Working natural gas stocks totaled 2,729 Bcf, which is 128 Bcf (5%) more than the five-year average and 107 Bcf (4%) more than last year at this time.

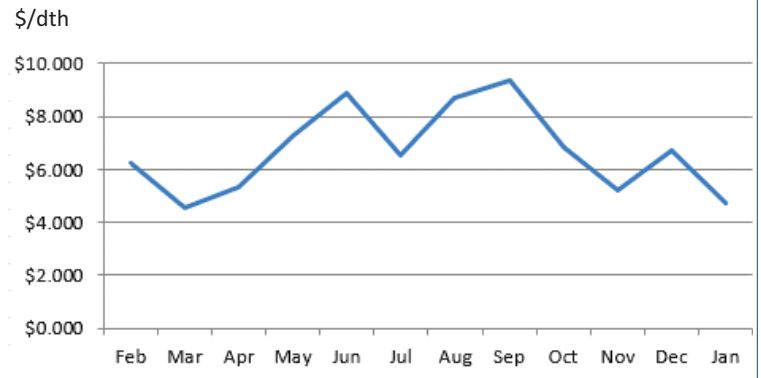
-Total US consumption of natural gas rose by 6.7% (6.2 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation climbed by 4.5% (1.4 Bcf/d) week over week. Industrial sector consumption increased by 1.7% (0.4 Bcf/d) week over week, and residential and commercial sectors consumption increased by 11.7% (4.4 Bcf/d). Natural gas exports to Mexico were relatively unchanged. Natural gas deliveries to US LNG export facilities averaged 12.5 Bcf/d, or 0.1 Bcf/d higher than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 29 cents/MMBtu, averaging \$8.46/MMBtu for the week ending January 25. Propane prices rose 6%, while the weekly average price of Brent crude oil rose 2%, resulting in a 4% decrease in the propane discount relative to crude oil.

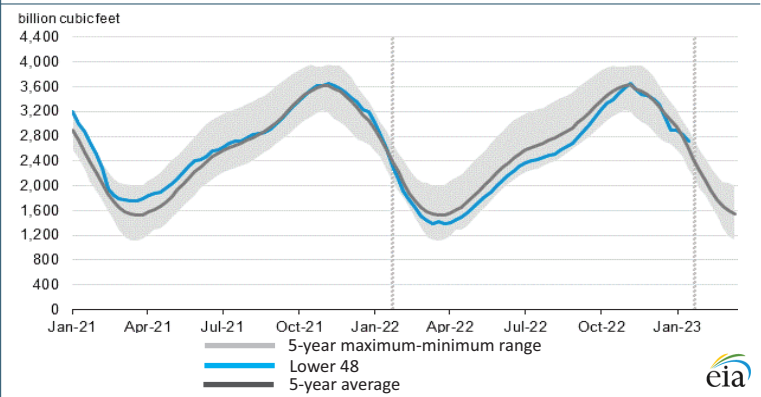
-For the week ending Tuesday, January 17, the natural gas rig count increased by 6 to 156 rigs. The number of oil-directed rigs decreased by 10 to 613 rigs. The total rig count, which includes 2 miscellaneous rigs, now stands at 771 rigs.

Excerpted from 

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



Working natural gas in underground storage as of Jan. 20, 2023

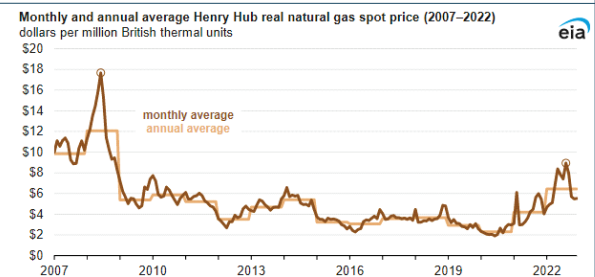


Forward 12-month NYMEX natural gas strip price - Feb23-Jan24:

Process Load-weighted \$3.411/dth - w/o/w = ▼\$0.142
 Typical Heat Load-weighted \$3.539/dth - w/o/w = ▼\$0.160

Average cost of wholesale US natural gas in 2022 highest since 2008:

In 2022, the wholesale US natural gas spot price at the national benchmark Henry Hub averaged \$6.45/MMBtu, the highest annual average—in both real and nominal terms—since 2008. The 2022 average Henry Hub real natural gas spot price increased over 53% from 2021, the fourth-largest year-over-year increase in natural gas prices on record, behind only 2000, 2003, and 2021. On a daily basis, the Henry Hub spot natural gas price ranged from \$3.46/MMBtu to \$9.85/MMBtu. During the first quarter of 2022, declining US natural gas production due to production freeze-offs in January and February and high net withdrawals of natural gas from storage caused the natural gas price to increase. Continued high demand for US LNG exports in Europe and rising, weather-driven demand for natural gas in the US led to relatively wide Henry Hub price ranges in February and March, between \$4.03/MMBtu and \$6.70/MMBtu. Despite these price fluctuations, the \$4.67/MMBtu average spot price was lower in the first quarter of 2022 than during the rest of the year. In May, weather-related demand for natural gas for electricity generation and increased uncertainty around working natural gas storage injections led to an increase in natural gas prices. The Henry Hub natural gas spot price topped \$9.00/MMBtu in early June, but then fell by 40% by July 4 because of a fire and the subsequent shutdown of the Freeport LNG export terminal. The shutdown reduced US LNG exports by about 2 bcf/d, and more natural gas was diverted to underground storage. The Henry Hub natural gas spot price began to rise again in July and peaked on August 22, 2022, at \$9.85/MMBtu. The natural gas spot price decreased late in the third quarter because of high natural gas production and the resulting above-average storage injections in September. The Henry Hub natural gas spot price reached an annual low of \$3.46/MMBtu on November 9, down 65% from August 22. The natural gas price began to increase again in December because of dropping winter temperatures that increased demand for natural gas for heating.



“I firmly believe that respect is a lot more important, and a lot greater, than popularity.” -Julius Erving¹

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¹https://www.brainyquote.com/quotes/julius_erving_289208