

Newstracker:

-Natural gas spot prices were mixed from Wednesday, February 15, to Wednesday, February 22 (the Report Week), during which the Henry Hub spot price fell 36 cents to \$2.08/MMBtu.


-The March 2023 NYMEX contract price decreased 29.7 cents to \$2.174/MMBtu for the Report Week. The price of the 12-month strip averaging March 2023 through February 2024 futures contracts declined 22.5 cents to \$3.003/MMBtu. International natural gas futures prices decreased this Report Week, with LNG cargoes in East Asia decreasing \$2.57 to a weekly average of \$15.34/MMBtu and prices at TTF in the Netherlands decreasing \$1.04 to a weekly average of \$15.64/MMBtu.

-Net natural gas withdrawals from storage totaled 71 Bcf for the week ending February 17, compared with the five-year average net withdrawals of 177 Bcf and last year's net withdrawals of 138 Bcf during the same week. Working natural gas stocks totaled 2,195 Bcf, which is 289 Bcf (15%) more than the five-year average and 395 Bcf (22%) more than last year at this time.

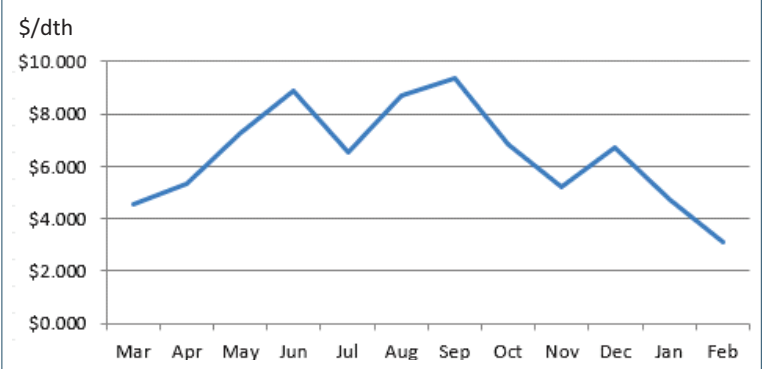
-Total US consumption of natural gas rose by 2.3% (2.0 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation climbed by 1.5% (0.5 Bcf/d) week over week. Industrial sector consumption increased by 0.5% (0.1 Bcf/d), and in the residential and commercial sectors, consumption increased by 4.3% (1.4 Bcf/d). Natural gas exports to Mexico increased 10.7% (0.6 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 13.1 Bcf/d, or 0.1 Bcf/d higher than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 20 cents/MMBtu, averaging \$7.90/MMBtu for the Report Week. Both Brent crude oil and propane prices fell by 3%, resulting in a 4% decrease in the propane discount relative to crude oil.

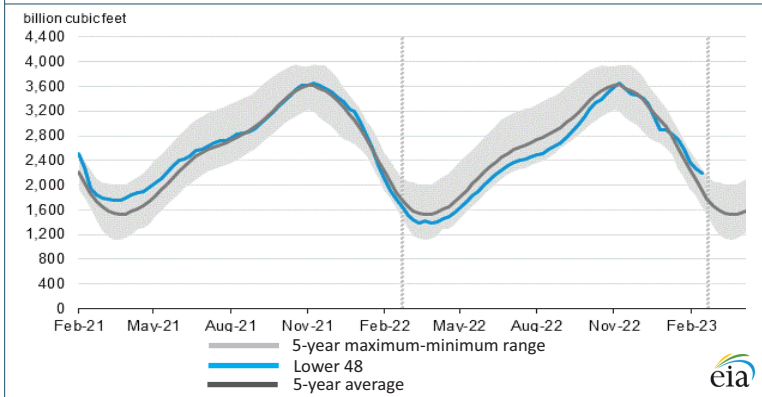
-For the week ending Tuesday, February 7, the natural gas rig count increased by 1 to 151 rigs. The number of oil-directed rigs decreased by 2 to 607 rigs. The total rig count, which includes 2 miscellaneous rigs, now stands at 760 rigs.

Excerpted from 

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



Working natural gas in underground storage as of Feb. 17, 2023

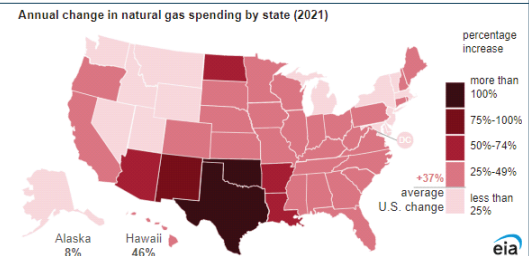


Forward 12-month NYMEX natural gas strip price - Mar23-Feb24:

Process Load-weighted \$3.003/dth - w/o/w = ▼\$0.225
 Typical Heat Load-weighted \$3.209/dth - w/o/w = ▼\$0.217

Spending by US natural gas consumers rose 37% in 2021, especially in Oklahoma and Texas:

In 2021, expenditures by US natural gas consumers totaled \$192 billion, a 37% increase from 2020 after adjusting for inflation. The increased spending followed rising US natural gas prices, particularly in the electric power sector across the southern US. Total US natural gas consumption remained virtually unchanged from 2020 to 2021. In every US state, the amount spent on natural gas rose in 2021. The increase was particularly high in some states, more than doubling in Oklahoma and Texas. Natural gas spending rose by more than 50% in five additional states, four of which were in the surrounding area: New Mexico, Arkansas, Louisiana, and Arizona. In February 2021, a winter storm in Texas and Oklahoma led to natural gas price spikes and depleted inventories, which significantly increased spending on natural gas. The fifth state where natural gas spending rose by more than 50% was North Dakota. Natural gas prices to consumers in 2021 averaged \$5.15/MMBtu, compared with \$2.41/MMBtu in 2020. In Oklahoma, natural gas prices were more than five times higher in 2021 than in 2020. In Texas, Kansas, New Mexico, and Arizona, they were more than three times higher. In contrast, natural gas consumption in 2021 declined in five of those states and remained about the same as in 2020 in Texas. Despite the severe weather in Texas and Oklahoma in February 2021, temperatures did not change much overall, leading to little change in natural gas demand for heating. In the electric power sector, consumption fell in 2021 because of higher prices. One exception to consumption declines was in North Dakota, where natural gas consumption rose by 26% because of increased industrial sector use along with more regional natural gas production. The electric power sector is typically the third-largest sector in terms of spending, behind the residential and industrial sectors. In 2021, however, it had the largest share, accounting for 31% of total US natural gas spending. According to the US Energy Information Administration, the electric power sector remained the largest natural gas-consuming sector in 2022, and natural gas prices for the sector nearly tripled between 2020 and 2022.



“I always tell kids, you have two eyes and one mouth. Keep two open and one closed.
 You never learn anything if you're the one talking.” -Gordie Howe¹