

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, May 31, to Wednesday, May 7 (the Report Week), during which the Henry Hub spot price rose 1 cent to \$2.110/MMBtu.


-The July 2023 NYMEX contract price increased to \$2.329/MMBtu, up 6.3 cents from last Report Week. The price of the 12-month strip averaging July 2023 through June 2024 futures contracts climbed 8 cents to \$3.040/MMBtu. International natural gas futures prices decreased this Report Week, with LNG cargoes in East Asia falling 6 cents to a weekly average of \$9.25/MMBtu, and prices at TTF in the Netherlands decreasing 3 cents to a weekly average of \$7.95/MMBtu. In the same week last year, prices were \$23.41/MMBtu in East Asia and \$25.68/MMBtu at TTF.

-Net natural gas injections into storage totaled 104 Bcf for the week ending June 2, compared with the five-year (2018–2022) average net injections of 100 Bcf and last year's net injections of 99 Bcf during the same week. Working natural gas stocks totaled 2,550 Bcf, which is 353 Bcf (16%) more than the five-year average and 562 Bcf (28%) more than last year at this time.

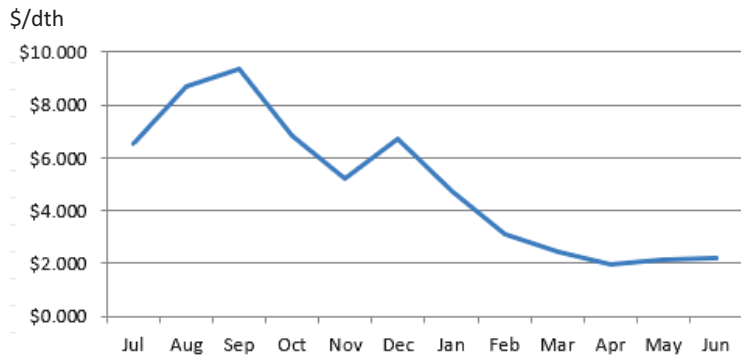
-Total US consumption of natural gas rose by 7.5% (4.7 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation rose by 17.6% (5.4 Bcf/d) week over week. Industrial sector consumption decreased by 0.3% (0.1 Bcf/d), and residential and commercial sector consumption declined by 5.8% (0.6 Bcf/d). Natural gas exports to Mexico were essentially unchanged, and natural gas deliveries to US LNG export facilities averaged 11.9 Bcf/d, or 1.4 Bcf/d lower than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 8 cents/MMBtu, averaging \$5.76/MMBtu for the week ending June 7. Propane prices rose 2%, following Brent crude oil prices, which also rose 2%, increasing the propane discount relative to crude oil by 2%.

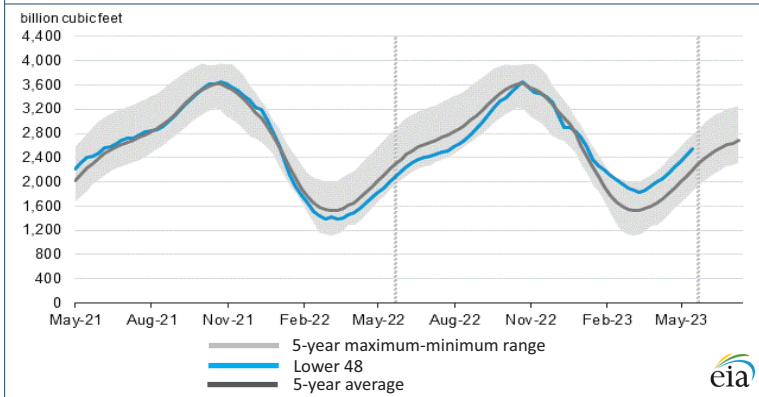
-For the week ending Tuesday, May 30, the natural gas rig count was unchanged from a week ago at 137 rigs. The number of oil-directed rigs decreased by 15 rigs from a week ago to 555 rigs. The total rig count, which includes 4 miscellaneous rigs, stands at 696, 31 fewer rigs than last year at this time. The total rig count fell below 700 rigs for the first time since April 29, 2022.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Jul 2022 - Jun 2023:



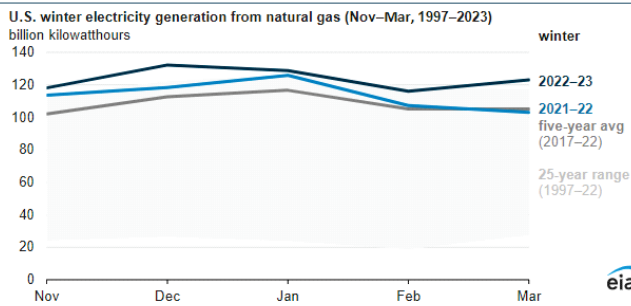
Working natural gas in underground storage as of June 2, 2023



Forward 12-month NYMEX natural gas strip price - Jul23-Jun24:

Process Load-weighted \$3.040/dth - w/o/w = ▲\$0.080
 Typical Heat Load-weighted \$3.308/dth - w/o/w = ▲\$0.083

US electricity generation from natural gas was highest on record this past winter:



US electricity generation from natural gas reached a record-high 619 billion kilowatt-hours (BkWh) during the most recent winter heating season (November 1–March 31), averaging more than 120 BkWh per month and accounting for 38% of the country's electricity generation mix. Electricity generation from natural gas increased in the US this past winter due to increased demand for electricity and continued reductions in electricity generation from coal. US electricity generation from natural gas peaks in the summer when demand for electricity is greatest—largely driven by demand for air conditioning. A smaller peak occurs during the winter, when homes and businesses in some areas of the country use heat pumps, electric radiators, space heaters, and other electric-heating equipment to heat buildings. Overall, US electricity generation this past winter was the highest since at least 1997. The increased electricity demand was met by natural gas,

wind, and solar—all of which increased their overall electricity generation compared with the previous winter of 2021–22. In contrast, electricity generation from coal decreased compared with the previous winter. Natural gas-fired power plants are relatively flexible to operate because they can ramp electricity generation up or down relatively quickly to meet demand fluctuations. Coal-fired electricity declined throughout 2022 and into 2023 because of a long-term trend of coal capacity retirements as well as increased competition from natural gas-fired combined-cycle power plants when natural gas prices are low. As a result, the natural gas-fired share of the US electricity generation mix increased from 35% in winter 2021–22 to 38% last winter. During the same period, coal's generation share fell from 21% to 18%. Renewables' share of electricity generation also increased to help meet overall electricity demand. In 2022, 8 gigawatts (GW) of new wind capacity additions and 10 GW of new solar capacity additions came online.

“At many a moment on many a day, I am convinced that pro football must be a game for madmen, and I must be one of them.” - Vince Lombardi¹