

**Newstracker:**

-Natural gas spot prices were mixed at major pricing hubs from Wednesday, June 28, to Wednesday, July 5 (the Report Week), during which the Henry Hub spot price fell 9 cents to \$2.55/MMBtu.

-The August 2023 NYMEX natural gas futures contract price decreased 2.5 cents to \$2.632/MMBtu. The price of the 12-month strip averaging August 2023 through July 2024 futures contracts declined 2.8 cents to \$3.181/MMBtu. International natural gas futures prices decreased this Report Week, with LNG cargoes in East Asia falling 9 cents to a weekly average of \$12.04/MMBtu, and prices at TTF in the Netherlands decreasing \$1.43 cents to a weekly average of \$9.78/MMBtu. In the same week last year, prices were \$39.13/MMBtu in East Asia and \$51.88/MMBtu at TTF.

-Total US consumption of natural gas fell by 2.2% (1.6 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation declined by 2.8% (1.2 Bcf/d) week over week. Industrial sector consumption was essentially unchanged, and in the residential and commercial sectors, consumption declined by 4.1% (0.4 Bcf/d). Natural gas exports to Mexico decreased 1.5% (0.1 Bcf/d), and natural gas deliveries to US LNG export facilities averaged 12.4 Bcf/d, or 0.4 Bcf/d lower than last week.

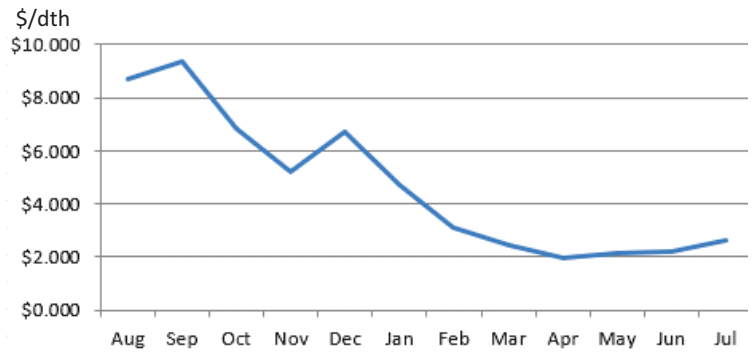
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 54 cents/MMBtu, averaging \$6.25/MMBtu for the week ending July 12. Propane prices rose 10%, while the Brent crude oil price rose 4%, decreasing the propane discount relative to crude oil by 1%.

-For the week ending Tuesday, July 4, the natural gas rig count increased by 11 rigs from a week ago to 135 rigs. The number of oil-directed rigs decreased by 5 rigs from a week ago to 540 rigs. The total rig count, which includes 5 miscellaneous rigs, stands at 680 rigs, 72 fewer rigs than last year at this time.

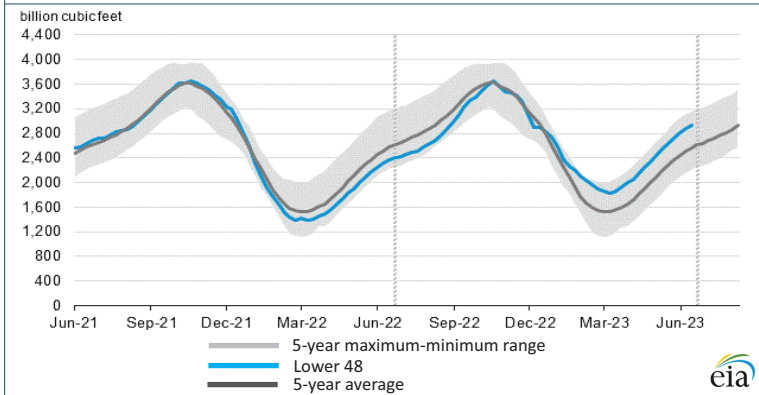
-Net natural gas injections into storage totaled 49 Bcf for the week ending July 7, compared with the five-year average net injections of 55 Bcf and last year's net injections of 59 Bcf during the same week. Working natural gas stocks totaled 2,930 Bcf, which is 364 Bcf (14%) more than the five-year average and 569 Bcf (24%) more than last year at this time.

Excerpted from 

**Monthly NYMEX Natural Gas Settle Price: Aug 2022 - Jul 2023:**



**Working natural gas in underground storage as of July 7, 2023**

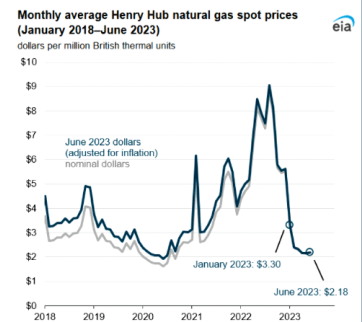


**Forward 12-month NYMEX natural gas strip price - Aug23-Jul24:**

Process Load-weighted \$3.181/dth - w/o/w = ▼\$0.028  
 Typical Heat Load-weighted \$3.370/dth - w/o/w = ▼\$0.031

**Natural gas prices fall in first half of 2023 amid high production, high storage levels:**

From January to June 2023, the average monthly spot natural gas price at the US benchmark Henry Hub fell 34% to \$2.18/MMBtu. In January, the Henry Hub price averaged \$3.30/MMBtu (when adjusted for inflation) and then averaged below \$2.50/MMBtu from February through June as mild winter weather, record-high production, and higher-than-average inventories contributed to lower natural gas prices (this was the lowest average monthly Henry Hub price since June 2020, when prices averaged \$1.93/MMBtu when adjusted for inflation). Prices for the first half of 2023 are down 62%, or \$3.96/MMBtu, compared with the first half of 2022 (when adjusted for inflation). Temperatures in the Lower 48 states were warmer than historical averages from January through March 2023, resulting in 16% fewer population-weighted heating degree days (HDDs) throughout the US in January 2023 and 12% fewer HDDs in February compared with the five-year (2018–2022) average. Fewer HDDs led to lower-than-average consumption of natural gas for space heating and lower storage inventory withdrawals compared with the five-year average. Natural gas consumption in January and February fell to five-year lows as regions of the US where natural gas is used for space heating experienced above-average temperatures. Overall US consumption averaged 103/Bcf/d between January and March, a decrease of 1.9 Bcf/d from the same period in 2022. From April through June, natural gas consumption was up about 1.6 Bcf/d compared with the same period in 2022. However, the rise in consumption was more than offset by an increase in dry natural gas production. In the first six months of 2023, dry natural gas production rose an estimated 6.2 Bcf/d compared with 2022, contributing to lower prices in 2023. Dry natural gas production has remained at record-high levels in 2023, averaging over 101.0 Bcf/d each month. Lower natural gas demand for space heating combined with high production contributed to less natural gas withdrawn from storage during the winter and more natural gas injected into storage in the spring. Storage inventories in the Lower 48 states finished the withdrawal season (October 31–March 31) at 1,830 Bcf, which was 19% (294 Bcf/d) above the five-year average. Storage inventories have remained well above the five-year average so far this summer injection season (April 1–October 31), as temperatures have remained mild for most of the season.



"Quickly, bring me a beaker of wine, so that I may wet my mind and say something clever." - Aristophanes<sup>1</sup>

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<sup>1</sup>[https://www.brainyquote.com/quotes/aristophanes\\_132171](https://www.brainyquote.com/quotes/aristophanes_132171)