

Newstracker:

-Natural gas spot prices fell at most major pricing hubs from Wednesday, July 12, to Wednesday, July 19 (the Report Week), during which the Henry Hub spot price fell 4 cents to \$2.51/MMBtu.

-The August 2023 NYMEX natural gas futures contract price fell 2.9 cents to \$2.603/MMBtu. The price of the 12-month strip averaging August 2023 through July 2024 futures contracts fell 4 cents to \$3.141/MMBtu. International natural gas futures prices decreased this Report Week, with LNG cargoes in East Asia falling 82 cents to a weekly average of \$11.22/MMBtu, and prices at TTF in the Netherlands decreasing \$1.12 cents to a weekly average of \$8.67/MMBtu. In the same week last year, prices were \$38.11/MMBtu in East Asia and \$47.59/MMBtu at TTF.

-Total US consumption of natural gas rose by 5.4% (3.9 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation rose by 8.5% (3.6 Bcf/d) week over week with above-average temperatures in Texas, the Southwest, and California in particular. Industrial sector consumption increased by 0.6% (0.1 Bcf/d) week over week, and in the residential and commercial sectors, consumption increased by 1.4% (0.1 Bcf/d). Natural gas exports to Mexico decreased 3.2% (0.2 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 12.5 Bcf/d, or 0.1 Bcf/d higher than last Report Week.

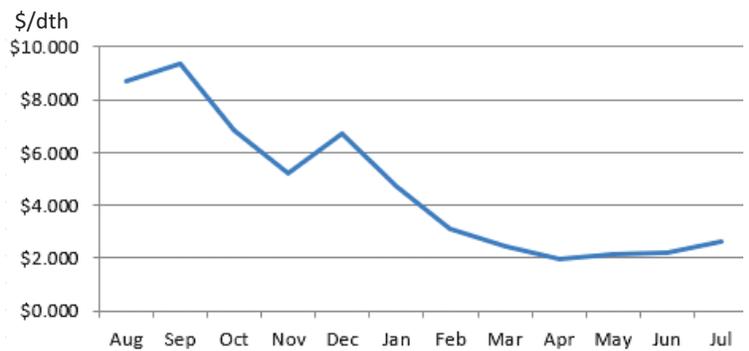
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 79 cents/MMBtu, averaging \$7.04/MMBtu for the week ending July 19. Propane prices rose 5%, while the Brent crude oil price rose 1%, decreasing the propane discount relative to crude oil by 3%.

-For the week ending Tuesday, July 11, the natural gas rig count decreased by 2 rigs from a week ago to 133 rigs. The number of oil-directed rigs decreased by 3 rigs from a week ago to 537 rigs. The total rig count, which includes 5 miscellaneous rigs, stands at 675, 81 fewer rigs than last year at this time.

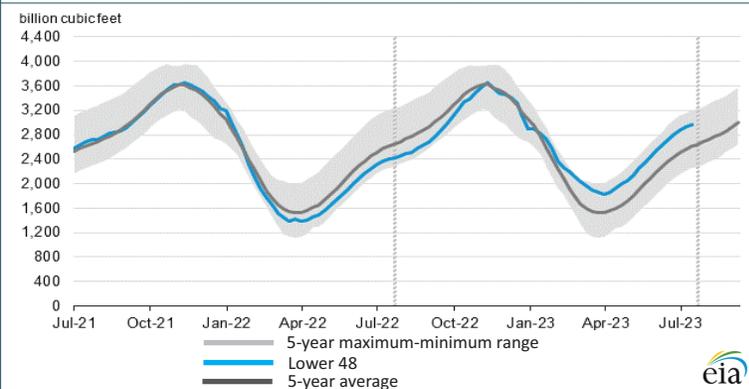
-Net natural gas injections into storage totaled 41 Bcf for the week ending July 14, compared with the five-year (2018–2022) average net injections of 45 Bcf and last year's net injections of 35 Bcf during the same week. Working natural gas stocks totaled 2,971 Bcf, which is 360 Bcf (14%) more than the five-year average and 575 Bcf (24%) more than last year at this time.

Excerpted from 

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



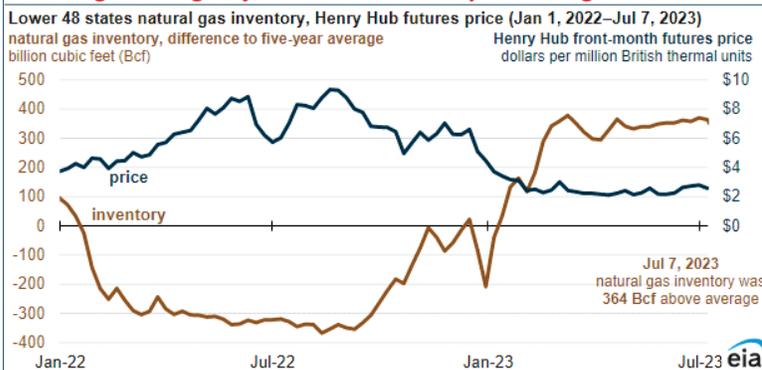
Working natural gas in underground storage as of July 14, 2023



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

Process Load-weighted \$3.141/dth - w/o/w = ▼\$0.040
 Typical Heat Load-weighted \$3.327/dth - w/o/w = ▼\$0.043

Natural gas storage injections exceed five-year average so far this summer:



Working natural gas inventories totaled 2,930 billion cubic feet (Bcf) in the Lower 48 states as of July 7, according to the US Energy Information Administration (EIA). US natural gas production has outpaced demand, resulting in more natural gas injected into storage midway through the 2023 refill season (April 1–October 31). Since April 1, net injections into natural gas storage have exceeded the five-year (2018–22) average by 6% (66 Bcf) and working natural gas inventories have reached 69% of working gas capacity so far this refill season. The increased surplus of working natural gas inventory has contributed to reduced natural gas prices during the first half of this year. Last summer, large storage deficits to the five-year average contributed to high natural gas prices, and the daily near-month futures price rose above \$9.00 per million British thermal units (MMBtu) on several occasions. When the deficit to the five-year average eased late last summer, prices began to fall. Working natural gas stocks have been at a surplus to the five-year average since January 2023. This surplus reached a high in March and has remained above average since the start of refill season in April. Prices began to decline in January from an average of \$5.53/MMBtu in December 2022 and have averaged below \$2.50/MMBtu since February. EIA forecasts that storage injections will slow because of relatively flat natural gas production and increased natural gas use in the electric power sector to meet cooling demand for the remainder of this summer. EIA further expects working natural gas inventories to remain above the five-year average for the rest of the year.

Excerpted from 

"Some songs are just like tattoos for your brain... you hear them and they're affixed to you." - Carlos Santana¹