

Newstracker:

-Natural gas spot prices fell at most major pricing hubs from Wednesday, July 26, to Wednesday, August 2 (the Report Week), during which the Henry Hub spot price fell 18 cents to \$2.43/MMBtu.


-The August 2023 NYMEX natural gas futures contract expired Thursday, July 27 at \$2.492/MMBtu, down 17 cents from the previous week. The September 2023 NYMEX contract price decreased to \$2.477/MMBtu, down 22 cents for the Report Week. The price of the 12-month strip averaging September 2023 through August 2024 futures contracts declined 16 cents to \$3.164/MMBtu. International natural gas futures prices fell this Report Week, with LNG cargoes in East Asia falling 21 cents to a weekly average of \$10.91/MMBtu, and prices at TTF in the Netherlands decreasing 75 cents to a weekly average of \$8.92/MMBtu. In the same week last year, prices were \$43.97/MMBtu in East Asia and \$59.54/MMBtu at TTF.

-Total US consumption of natural gas rose by 0.9% (0.7 Bcf/d) compared with the previous Report Week to average 76.6 Bcf/d. Natural gas consumed for power generation rose by 1.2% (0.5 Bcf/d) week over week. Industrial sector consumption decreased by 0.3% (0.1 Bcf/d), and residential and commercial sector consumption increased by 2.3% (0.2 Bcf/d). Natural gas exports to Mexico decreased by 2.6% (0.2 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 12.2 Bcf/d, or 0.3 Bcf/d lower than last week.

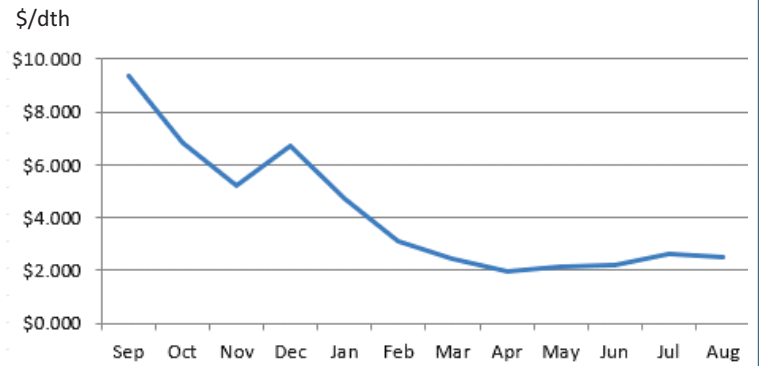
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 7 cents/MMBtu, averaging \$7.24/MMBtu for the week ending August 2. Propane prices rose 8%, while the Brent crude oil price rose 3%, decreasing the propane discount relative to crude oil by 1%.

-For the week ending Tuesday, July 25, the natural gas rig count decreased by 3 rigs from a week ago to 128 rigs. The number of oil-directed rigs decreased 1 rig from a week ago to 529 rigs. The total rig count, including 7 misc. rigs, stands at 664 rigs, 103 fewer rigs than last year at this time.

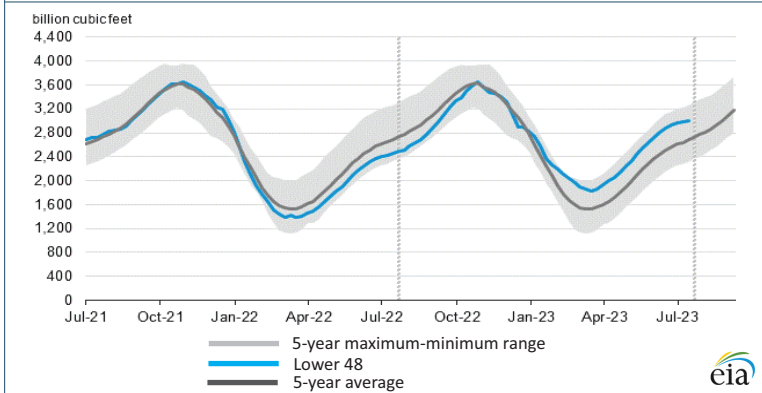
-Net natural gas injections into storage totaled 14 Bcf for the week ending July 28, compared with the five-year average net injections of 37 Bcf and last year's net injections of 37 Bcf during the same week. Working natural gas stocks totaled 3,001 Bcf, which is 322 Bcf (12%) more than the five-year average and 550 Bcf (22%) more than last year at this time.

Excerpted from 

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



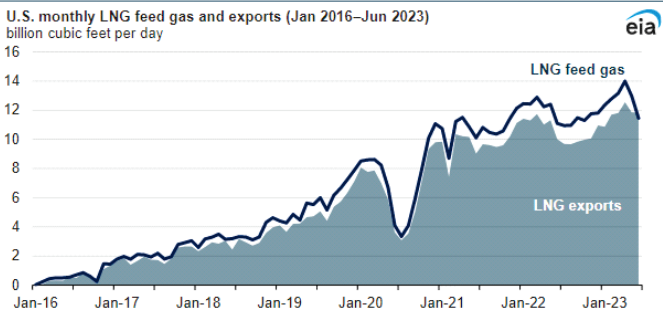
Working natural gas in underground storage as of July 28, 2023




Forward 12-month NYMEX natural gas strip price - Sep23-Aug24:

Process Load-weighted \$3.164/dth - w/o/w = ▼\$0.156
 Typical Heat Load-weighted \$3.306/dth - w/o/w = ▼\$0.168

Natural gas deliveries to US LNG export facilities set a record in first-half 2023:



Natural gas deliveries by pipeline to US LNG export facilities are called LNG feed gas. LNG feed gas averaged 12.8 billion cubic feet per day (Bcf/d) in the first six months of 2023, following the Freeport LNG terminal's return to service. Over this period, LNG feed gas averaged 8%, or 1.0 Bcf/d, more than the 2022 annual average and 4%, or 0.5 Bcf/d, more than the same six-month period in 2022. LNG feed gas set a monthly record in April 2023 at 14.0 Bcf/d, supported by high international demand for US LNG exports, particularly in Europe. LNG feed gas declined slightly in May and June and averaged 13.0 Bcf/d and 11.5 Bcf/d, respectively, primarily because of maintenance at several US LNG export facilities. LNG feed gas levels are typically higher than LNG export levels because LNG export terminals consume some of the feed gas to operate on-site liquefaction equipment. All US LNG export facilities, except Freeport LNG, use natural gas turbine-driven refrigerant compressors to convert natural gas from a gaseous to a liquid state, or LNG. Freeport LNG is the only liquefaction facility in the US that uses electric motors instead of natural gas turbines to drive refrigerant compressors. As a result, most of Freeport LNG's feed gas is converted into LNG. The US Energy Information Administration (EIA) estimates that approximately 14% of LNG feed gas is used for liquefaction processes, mostly to operate on-site liquefaction equipment. EIA forecasts US LNG exports to average 12.0 Bcf/d in 2023 and 13.3 Bcf/d in 2024, as two new LNG liquefaction projects are expected to come online—Golden Pass and Plaquemines. Global economic conditions and demand for natural gas in Europe and Asia may affect this forecast. The assumed ongoing replacement of Russia's natural gas exports by pipeline to Europe with LNG supports higher US LNG exports going forward. Limited growth in global LNG export capacity in the next two years may increase the need for destination-flexible LNG supplies, mainly from the US.

Excerpted from 

"When someone hands you a flyer, it's like they're saying here you throw this away." - Mitch Hedberg¹

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¹https://www.brainyquote.com/quotes/mitch_hedberg_385189