

Newstracker:


-Natural gas spot prices fell at most locations in the US from Wednesday, January 10, to Wednesday, January 17 (the Report Week), during which the Henry Hub spot price fell 36 cents to \$2.87/MMBtu.

-For the Report Week, the February 2024 NYMEX natural gas futures contract price decreased 16.9 cents to \$2.870/MMBtu. The price of the 12-month strip averaging February 2024 through January 2025 futures fell 4.8 cents to \$2.960/MMBtu. International natural gas futures prices decreased this Report Week, with LNG cargoes in East Asia falling 93 cents to a weekly average of \$10.51/MMBtu, and prices at TTF in the Netherlands decreasing 72 cents to a weekly average of \$9.62/MMBtu. In the same week last year, prices were \$24.85/MMBtu in East Asia and \$20.10/MMBtu at TTF.

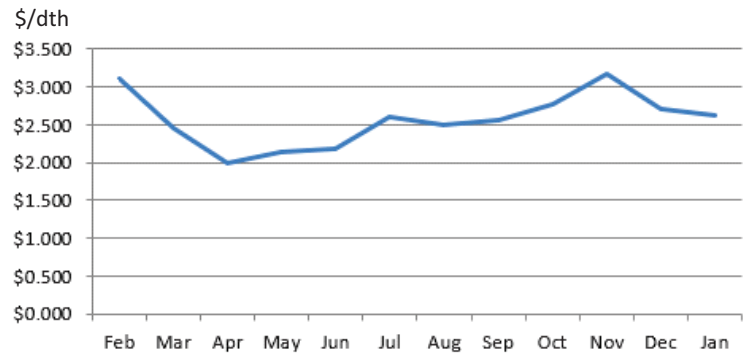
-Total US consumption of natural gas rose by 20.8% (21.3 Bcf/d) to 123.4 Bcf/d compared with the previous Report Week. Natural gas consumption in the residential and commercial, industrial, and electric power sectors combined reached a daily record high of 141.5 Bcf/d on January 16, 2024. The increase in consumption was driven by widespread below average temperatures across the US. Residential and commercial sector consumption increased by 37.0% (15.7 Bcf/d). Natural gas consumed for power generation rose by 11.0% (3.8 Bcf/d) and industrial sector consumption increased by 6.9% (1.7 Bcf/d). Natural gas exports to Mexico decreased 3.4% (0.2 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 12.5 Bcf/d, or 2.3 Bcf/d lower than last Report Week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 48 cents/MMBtu, averaging \$7.46/MMBtu for the week ending January 17. The average weekly propane price rose 16%, while the Brent crude oil price rose 3%. The propane discount relative to crude oil decreased 16% w/o/w.

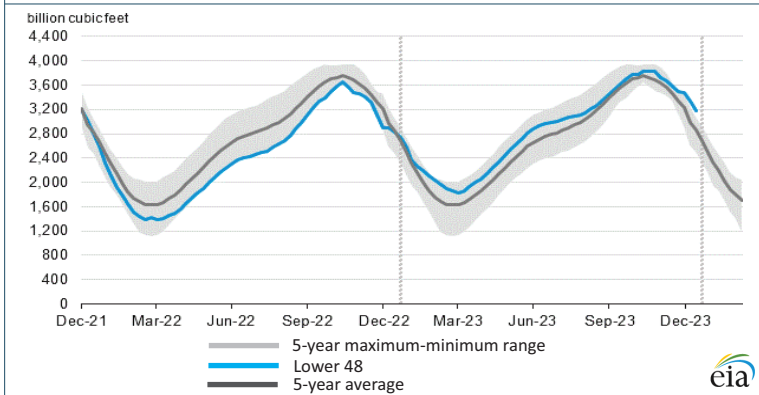
-For the week ending Tuesday, January 9, the natural gas rig count decreased by 1 to 117 rigs. The number of oil-directed rigs fell by 2 to 499 rigs. The total rig count, which includes 3 miscellaneous rigs, now stands at 619 rigs.

-Net natural gas withdrawals from storage totaled 154 Bcf for the week ending January 12, compared with the five-year average net withdrawals of 126 Bcf and last year's net withdrawals of 68 Bcf during the same week. Working natural gas stocks totaled 3,182 Bcf, which is 11% more than the five-year average and 12% more than last year at this time. Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Feb 2023 - Jan 2024:




Working natural gas in underground storage as of Jan. 12, 2024

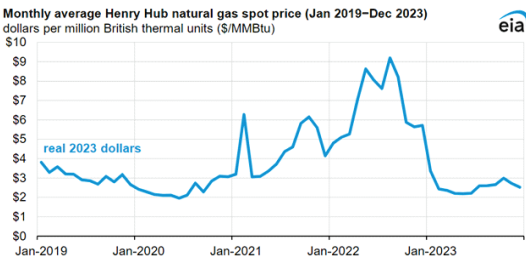


Forward 12-month NYMEX natural gas strip price - Feb24-Jan25:

Process Load-weighted \$2.960/dth - w/o/w = ▼\$0.048
 Typical Heat Load-weighted \$3.128/dth - w/o/w = ▼\$0.040

US Henry Hub natural gas prices in 2023 were the lowest since mid-2020:

The US benchmark Henry Hub natural gas price averaged \$2.57/MMBtu in 2023, about a 62% drop from the 2022 average annual price. Record-high natural gas production, flat consumption, and rising natural gas inventories contributed to lower prices in 2023 compared with 2022. The monthly average Henry Hub price was below \$3.00/MMBtu in every month except January, with the lowest monthly average in May at \$2.19/MMBtu. Record-high natural gas production that outpaced growth in natural gas consumption was the primary driver of lower prices in 2023. The US Energy Information Administration (EIA) estimates that US dry natural gas production averaged a record-high 104/Bcf/d in 2023, 4% higher than the 2022 annual average. Warmer-than-average temperatures in January and February 2023—the peak of heating season—led to reduced consumption in the residential and commercial sectors and the lowest total US natural gas consumption for these months in seven years. Temperatures were relatively mild in the US Midwest and Northeast, where 50%–70% of households report using natural gas as their primary space-heating fuel. Mild temperatures also led to lower withdrawals of natural gas from underground storage. Overall, natural gas demand increased by 3% in 2023 compared with 2022. Increased exports and a slight increase in natural gas consumed for electricity generation offset lower residential and commercial sector consumption. LNG exports rose 12% in 2023 compared with 2022, and natural gas exports by pipeline increased 9% over the same period. The mild temperatures at the end of the 2022–23 winter resulted in lower withdrawals from natural gas storage than during the previous seven winters, and the US began the 2023 injection season (April–October) with relatively high storage volumes. Natural gas injections into storage in the summer exceeded the five-year average, and US natural gas inventories at the start of this winter heating season were the highest since 2020. As a result of production remaining at all-time highs and less natural gas consumed in the residential and commercial sectors so far this winter heating season than the previous heating season, working natural gas inventories were 11% above the year-ago level and 10% above the five-year average as of the week ending December 22. Excerpted from 



“If you aren't fired with enthusiasm, you will be fired with enthusiasm.” - Vince Lombardi¹