

Newstracker:

-Natural gas spot prices fell at most locations in the US from Wednesday, January 17, to Wednesday, January 24 (the Report Week), during which the Henry Hub spot price fell 43 cents to \$2.44/MMBtu.


-For the Report Week, the February 2024 NYMEX natural gas futures contract price decreased 22.9 cents to \$2.641/MMBtu. The price of the 12-month strip averaging February 2024 through January 2025 futures fell 14.5 cents to \$2.815/MMBtu. International natural gas futures prices decreased this Report Week, with LNG cargoes in East Asia falling \$1.01 to a weekly average of \$9.49/MMBtu, and prices at TTF in the Netherlands decreasing 71 cents to a weekly average of \$8.92/MMBtu. In the same week last year, prices were \$22.42/MMBtu in East Asia and \$19.67/MMBtu at TTF.

-Total US consumption of natural gas fell by 7.6% (9.4 Bcf/d) compared with the previous Report Week. Residential and commercial sector consumption decreased by 12.3% (7.2 Bcf/d), natural gas consumed for power generation decreased by 3.7% (1.4 Bcf/d), and industrial sector consumption decreased by 3.0% (0.8 Bcf/d). Natural gas exports to Mexico increased 0.2% (less than 0.1 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 13.2 Bcf/d, or 0.7 Bcf/d higher than last Report Week.

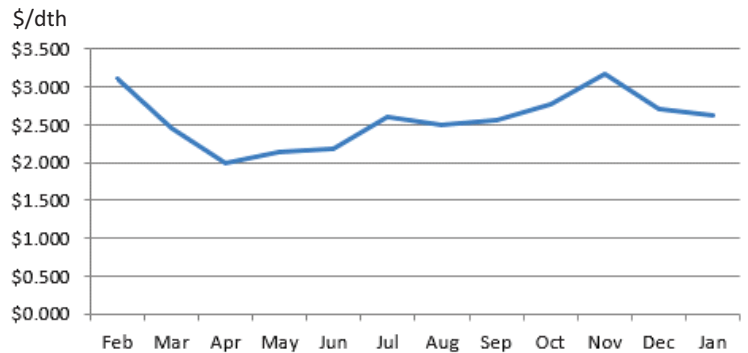
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 4 cents/MMBtu, averaging \$7.50/MMBtu for the week ending January 24. The average weekly propane price rose 5%, while the Brent crude oil price rose 2%. The propane discount relative to crude oil decreased 4% week over week.

-For the week ending Tuesday, January 16, the natural gas rig count increased by 3 rigs from a week ago to 120 rigs. The number of oil-directed rigs decreased by 2 rigs from a week ago to 497 rigs. The total rig count, which includes 3 miscellaneous rigs, now stands at 620 rigs.

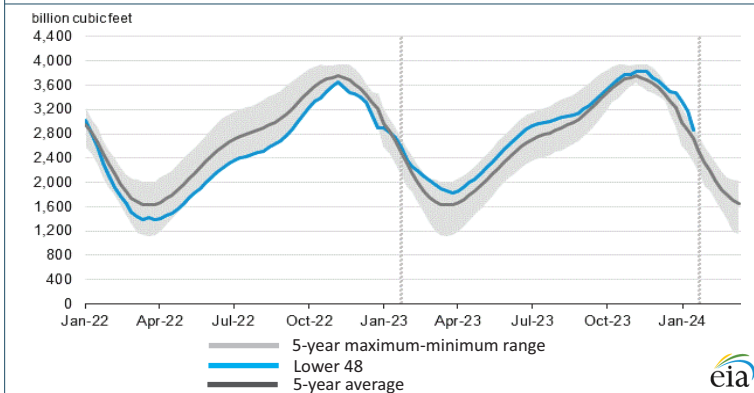
-Net natural gas withdrawals from storage totaled 326 Bcf for the week ending January 19, compared with the five-year average net withdrawals of 148 Bcf and last year's net withdrawals of 86 Bcf during the same week. This is the third-largest withdrawal on record. Working natural gas stocks totaled 2,856 Bcf, which is 142 Bcf (5%) more than the five-year average and 110 Bcf (4%) 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. 19, 2024



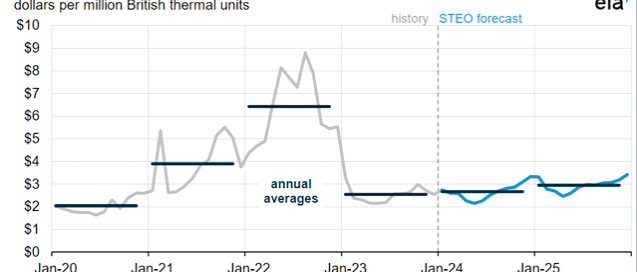
Forward 12-month NYMEX natural gas strip price - Feb24-Jan25:


Process Load-weighted \$2.815/dth - w/o/w = ▼\$0.145
 Typical Heat Load-weighted \$2.975/dth - w/o/w = ▼\$0.153

US EIA expects Henry Hub natural gas spot prices to average under \$3/MMBtu in 2024 and 2025:

The US Energy Information Administration (EIA) predicts that the US benchmark natural gas spot price at the Henry Hub will average under \$3.00/MMBtu in 2024 and 2025, with annual average Henry Hub prices in 2024 and 2025 increasing from 2023 due to expected natural gas demand growth outpacing natural gas supply growth. Despite increased demand, EIA's forecast prices for 2024 and 2025 are less than half the annual average price in 2022 and are slightly higher than the \$2.54/MMBtu reported for 2023. After averaging just under \$6.50/MMBtu in 2022, the Henry Hub price declined to \$3.27/MMBtu in January 2023, driven by warmer-than-average weather and reduced natural gas consumption in most of the United States. The Henry Hub price remained relatively low for all of 2023 because of strong natural gas production and more natural gas in storage. EIA expects these drivers of low prices to continue over the next two years, as US natural gas production remains relatively flat but grows enough in 2024 and 2025 to set new record highs. Working natural gas inventories were above the previous five-year (2018–22) average for all of 2023, and EIA expects inventories will remain above the five-year average in 2024 and 2025. EIA expects US demand for natural gas—total natural gas consumption plus natural gas exports—to increase in 2024 and 2025, driven by growth LNG exports of 4% in 2024 and 17% in 2025. EIA projects consumption of natural gas in 2024 to increase in the residential sector by 4% (0.5 Bcf/d) and in the commercial sector by 3% (0.3 Bcf/d) because of expected colder winter weather than in 2023. EIA forecasts that consumption of natural gas in the electric power sector to increase by 1% in 2024. In 2024, the EIA expects US natural gas demand to increase more than supply—dry natural gas production plus natural gas imports—pushing up the average annual price in 2024 slightly. However, EIA expects prices to stay relatively low in 2024 because of strong natural gas storage inventories, with demand growth exceeding supply growth again in 2025, driven by more LNG exports, putting upward pressure on prices in 2025.

Monthly Henry Hub natural gas spot price (Jan 2020–Dec 2025)



Excerpted from 

“What I like to drink most is wine that belongs to others..” - Diogenes¹

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https://www.brainyquote.com/quotes/diogenes_128399