Energy Market Report

Report Date: October 18, 2024
Report Week: October 9, 2024 to October 16, 2024

Your Energy. Our Mission.™

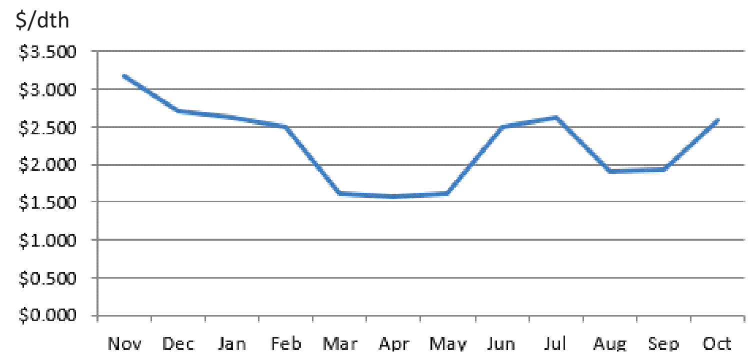
Questions?
Ph: 888-351-0981
info@legacyenergy.com
www.legacyenergy.com

Newstracker:

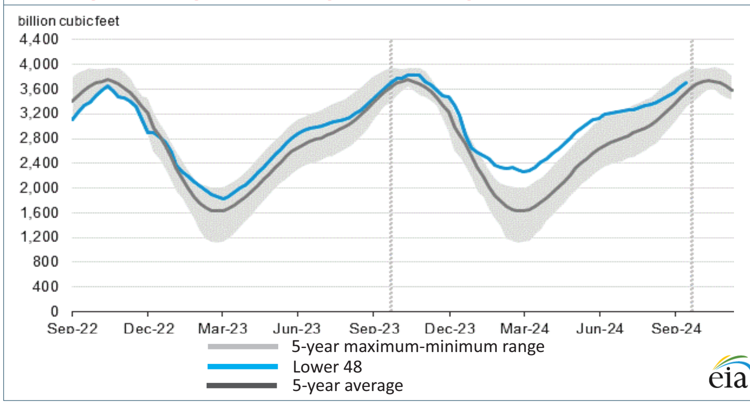
-US natural gas spot prices fell at major pricing locations from Wednesday, October 9, to Wednesday, October 16 (the Report Week), during which the Henry Hub spot price fell 21 cents to $2.21/MMBtu.
-The November 2024 NYMEX natural gas futures contract fell 29 cents to $2.367/MMBtu for the Report Week. The price of the 12-month strip averaging November 2024 through October 2025 futures contracts fell 19 cents to $2.945/MMBtu. International natural gas futures prices rose this Report Week, with LNG cargoes in East Asia rising 7 cents to a weekly average of $13.17/MMBtu, and prices at TTF in the Netherlands increasing 1 cent to a weekly average of $12.79/MMBtu. In the same week last year, prices were $16.50/MMBtu in East Asia and $15.78/MMBtu at TTF.
-Total US consumption of natural gas rose by 3.1% (2.2 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation declined by 9.1% (3.4 Bcf/d) week over week. Consumption in the industrial sector increased by 2.0% (0.5 Bcf/d), and consumption in the residential and commercial sector increased by 47.6% (5.2 Bcf/d). Natural gas exports to Mexico decreased 1.5% (0.1 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 13.7 Bcf/d, or 1.0 Bcf/d higher than last week.
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 26 cents/MMBtu, averaging $7.58/MMBtu for the week ending October 16. Propane prices decreased 6%, while Brent crude oil prices decreased 2% week over week, widening the propane discount to crude oil by 8%.
-For the week ending Tuesday, October 8, the natural gas rig count decreased by 1 rig from a week ago to 101 rigs. The number of oil-directed rigs increased by 2 rigs from a week ago to 481 rigs. The total rig count, which includes 4 miscellaneous rigs, now stands at 586 rigs, 36 fewer rigs than a year ago.
-Net natural gas injections into storage totaled 76 Bcf for the week ending October 11, compared with the five-year average net injections of 89 Bcf and last year's net injections of 93 Bcf during the same week. Working natural gas stocks totaled 3,705 Bcf, which is 163 Bcf (5%) more than the five-year average and 107 Bcf (3%) more than last year at this time.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Nov 2023 - Oct 2024:



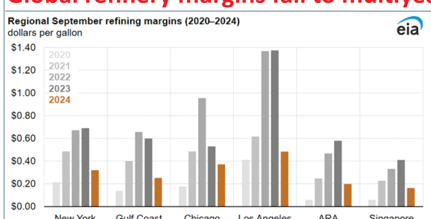
Working natural gas in underground storage as of Oct. 11, 2024



Forward 12-month NYMEX natural gas strip price - Nov24-Oct25:

Process Load-weighted $2.945/dth - w/o/w =▼$0.186
Typical Heat Load-weighted $2.893/dth - w/o/w =▼$0.224

Global refinery margins fall to multiyear seasonal lows in September:



Refinery margins for petroleum refiners across the world are shrinking, indicating reduced profitability from refining crude oil and selling petroleum products. Declining margins are the result of relatively weak demand for petroleum products even as global refining capacity increases. Global refinery margins, measured by the 3:2:1 crack spread, have been less than their five-year (2019–23) averages since the spring and dropped even more in the late summer and early fall. The 3:2:1 crack spread is calculated by subtracting the price of 3 barrels of crude oil from the price of 2 barrels of gasoline and 1 barrel of distillate. This year, the September monthly average refinery margin fell to its lowest for the month since 2020, when there was significantly less transportation fuel demand because of pandemic-related reductions in travel. The recent drop in refinery margins is a departure from the past two years. Following the lows in 2020, decreases in US refinery capacity and recovering petroleum product demand supported stronger US refinery margins. This trend was particularly true on the West Coast, where several refineries closed or converted operations to renewable diesel in response to its increasing use in the region. Refinery margins have fallen in part because of relatively weak demand for petroleum products, particularly distillate fuel oil. In 2024, US product supplied of distillate fuel oil averaged 6% less than in 2023 and 8% than in 2019 from June through September, mostly due to declining manufacturing activity and the increasing use of biofuels in place of conventional, petroleum-based diesel fuels on the West Coast. Gasoline and jet fuel consumption were slightly below 2023 levels for the same months, and they both remain 6% below 2019 levels. Outside of the US, petroleum product demand has been weak due to slowing economic activity in China and Europe. In addition, increasing adoption of electric vehicles, biofuels, and liquefied natural gas use in trucking is steadily reducing petroleum fuel consumption across much of Asia and Europe. Refinery margins have also been under pressure due to new refining capacity abroad. Kuwait's 615,000-barrel-per-day (b/d) Al-Zour refinery reached full refining capacity early in 2024, Oman's 230,000-b/d Duqm refinery has begun operations, and Nigeria's 650,000-b/d Dangote refinery has been ramping up refining activity.

"Sometimes I think sportsmanship is a little bit forgotten in place of the individual attention." -Cal Ripken, Jr.[1]

[1]https://www.brainyquote.com/quotes/cal_ripken_jr_564763