

Newstracker:

-US natural gas spot prices were mixed from Wednesday, May 22, to Wednesday, May 29 (the Report Week), during which the Henry Hub spot price fell 30 cents to \$2.21/MMBtu.


-The June 2024 natural gas futures contract expired on May 29 at \$2.493/MMBtu, down 35 cents from the previous Report Week. The July 2024 NYMEX contract price decreased to \$2.666/MMBtu, down 39 cents for the Report Week. The price of the 12-month strip averaging July 2024 through June 2025 futures contracts fell 24 cents to \$3.129/MMBtu. International natural gas futures prices increased this Report Week, with LNG cargoes in East Asia climbing 49 cents to a weekly average of \$12.00/MMBtu, and prices at TTF in the Netherlands rising 66 cents to a weekly average of \$10.86/MMBtu. In the same week last year, prices were \$9.31/MMBtu in East Asia and \$7.98/MMBtu at TTF.

-Total US consumption of natural gas rose by 1.5% (1.0 Bcf/d) for the Report Week. Natural gas consumed for power generation rose by 3.2% (1.1 Bcf/d), industrial sector consumption decreased by 0.7% (0.1 Bcf/d), residential and commercial consumption increased by 0.4% (less than 0.1 Bcf/d). Natural gas exports to Mexico increased 1.2% (0.1 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 13.0 Bcf/d, or 0.2 Bcf/d higher.

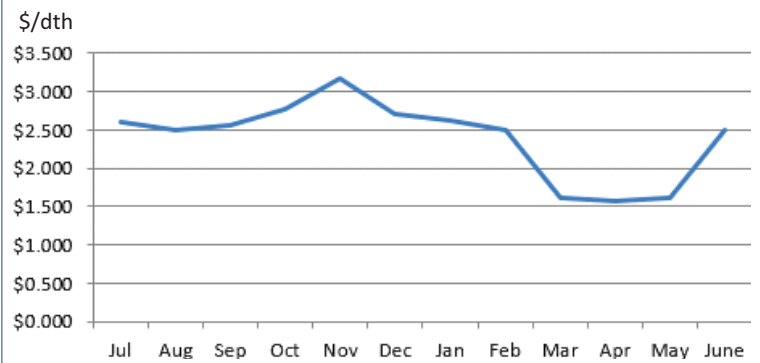
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 10 cents/MMBtu, averaging \$7.06/MMBtu for the week ending May 29. Propane prices increased 5%, while Brent crude oil prices were relatively unchanged week over week. The propane discount to crude oil decreased 7% for the week.

-For the week ending Tuesday, May 21, the natural gas rig count decreased by 4 rigs from a week ago to 99 rigs, the first time the natural gas rig count has been under 100 rigs since October 2021. The number of oil-directed rigs was unchanged from a week ago at 497 rigs. The total rig count, which includes 4 miscellaneous rigs, now stands at 600 rigs, 111 fewer rigs than last year at this time.

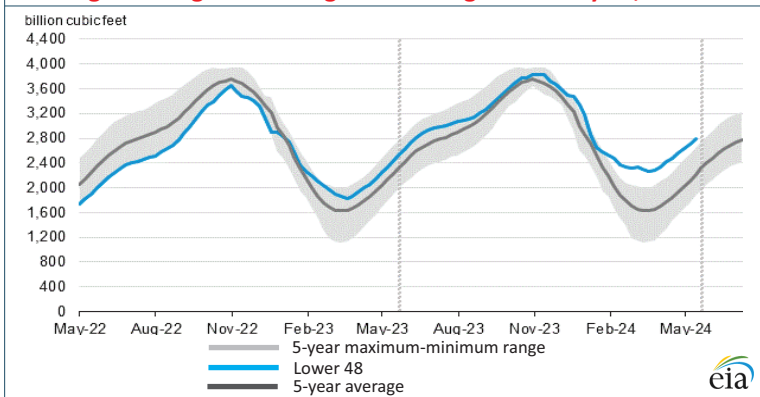
-Net natural gas injections into storage totaled 84 Bcf for the week ending May 24, compared with the five-year average net injections of 104 Bcf and last year's net injections of 106 Bcf during the same week. Working natural gas stocks totaled 2,795 Bcf, which is 586 Bcf (27%) more than the five-year average and 380 Bcf (16%) more than last year at this time.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Jul 2023 - Jun 2024:



Working natural gas in underground storage as of May 24, 2024

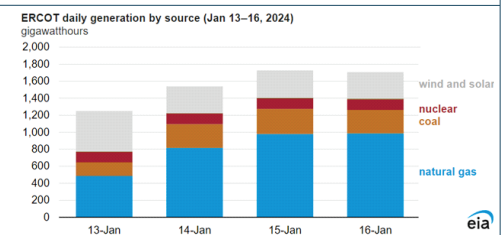



Forward 12-month NYMEX natural gas strip price - Jul24-Jun25:

Process Load-weighted \$3.129/dth - w/o/w = ▲\$0.061
 Typical Heat Load-weighted \$3.343/dth - w/o/w = ▲\$0.022

Natural gas-fired electricity generation in Texas set winter record in January 2024:

The electric power grid managed by the Electric Reliability Council of Texas (ERCOT) recorded an all-time high for winter natural gas-fired electricity generation for an hour in January when a three-day cold snap increased electricity demand. Hourly natural gas-fired electricity generation increased to 49.4 gigawatts (GW) for the hour starting at 7:00 p.m. central time on January 16, 2024, 1% more than the previous winter record of 48.8 GW set on December 23, 2022. Electricity demand typically peaks in Texas in the summer during heat waves and in the winter during cold snaps. During peaks in electricity demand, grid operators must have dispatchable electricity generation sources available. Surges in electricity demand in ERCOT, which operates approximately 90% of Texas's electricity load, are primarily supplied by natural gas-fired generation. On a daily basis, natural gas-fired electricity generation made up 56% of all generation in ERCOT during the cold snap (January 14–16, 2024), compared with an average share of 46% for January 2024, as wind and solar electricity output declined and overall electricity demand for heating increased. On January 16, natural gas-fired electricity generation totaled 986.2 gigawatt-hours (GWh), 72% more than the January 2024 average of 572.9 GWh and just a little less than the ERCOT winter record of 1,006 GWh set on December 23, 2022. Net electricity load requirements (which exclude variable generation such as wind and solar) peaked on January 15 by 630.6 GWh more than the day before the cold snap started. Natural gas supplied 78% of the generation needed to meet this additional net electricity load. Between January 14 and 15, natural gas-fired generation supplied 91% (164.2 GWh) of the increase in net electricity load. On January 15, increased demand in Texas for electricity led to record daily natural gas consumption by the Texas electric power sector, 8.6 billion cubic feet per day (Bcf/d), a 0.1-Bcf/d increase over the previous record set on August 25, 2023. Despite involuntary production interruptions including inclement weather, maintenance events, and temporary oversupply conditions on natural gas pipelines, natural gas supplies in Texas were sufficient during peak generation throughout the past winter. Weatherization standards implemented in August 2022 following Winter Storm Uri required critical natural gas infrastructure to be protected against weather emergencies.



Excerpted from 

“There is nothing more uncommon than common sense.” - Frank Lloyd Wright¹

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