

Newstracker:

-US natural gas spot prices rose at most locations from Wednesday, June 5, to Wednesday, June 12 (the Report Week), during which the Henry Hub spot price rose 58 cents to \$2.80/MMBtu.


-The July 2024 natural gas futures contract rose 28.8 cents to \$3.045/MMBtu for the Report Week. The price of the 12-month strip averaging July 2024 through June 2025 futures contracts rose 23.6 cents to \$3.459/MMBtu. International natural gas futures prices were mixed this Report Week, with LNG cargoes in East Asia rising 1 cent to a weekly average of \$11.99/MMBtu, and prices at TTF in the Netherlands falling 19 cents to a weekly average of \$10.81/MMBtu. In the same week last year, prices were \$9.29/MMBtu in East Asia and \$10.40/MMBtu at TTF.

-Total US consumption of natural gas rose by 1.7% (1.1 Bcf/d) compared with the previous Report Week. Natural gas consumed for power generation rose by 4.5% (1.6 Bcf/d) week over week. Industrial sector consumption decreased by 0.7% (0.2 Bcf/d), and residential and commercial sector consumption declined by 3.5% (0.3 Bcf/d). Natural gas exports to Mexico increased 1.4% (0.1 Bcf/d). Natural gas deliveries to U.S. LNG export facilities (LNG pipeline receipts) averaged 12.9 Bcf/d, or 0.3 Bcf/d lower than last week.

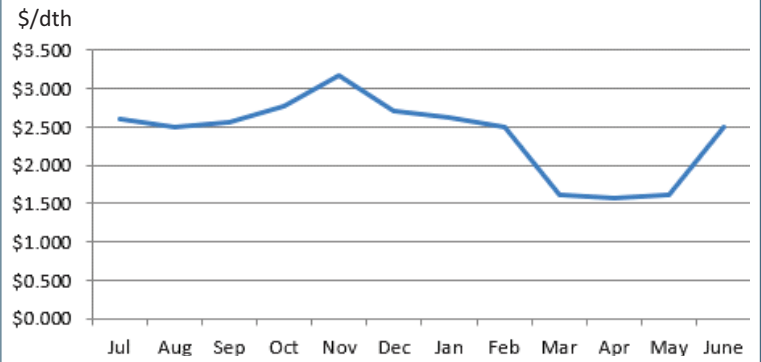
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 17 cents/MMBtu, averaging \$6.87/MMBtu for the week ending June 12. Propane prices increased 6%, while Brent crude oil prices increased 2% week over week. The propane discount to crude oil decreased 4% for the week.

-For the week ending Tuesday, June 4, the natural gas rig count decreased by 2 rigs from a week ago to 98 rigs. The number of oil-directed rigs decreased by 4 rigs from a week ago to 492 rigs. The total rig count, which includes 4 miscellaneous rigs, now stands at 594 rigs, the first time the rig count has been under 600 rigs since January 2022.

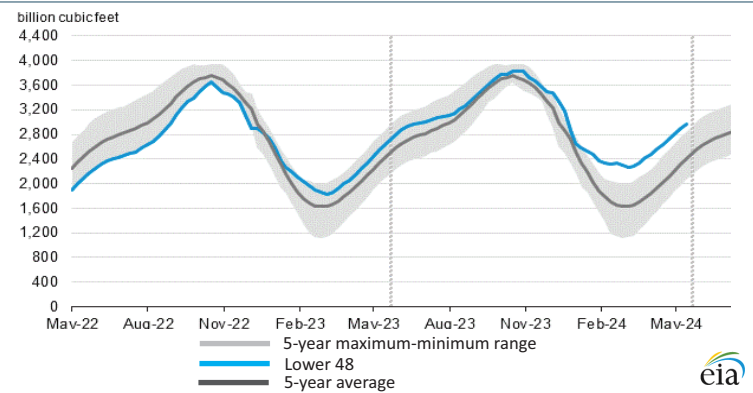
-Net natural gas injections into storage totaled 74 Bcf for the week ending June 7, compared with the five-year average net injections of 89 Bcf and last year's net injections of 90 Bcf during the same week. Working natural gas stocks totaled 2,974 Bcf, which is 573 Bcf (24%) more than the five-year average and 364 Bcf (14%) 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 June 7, 2024



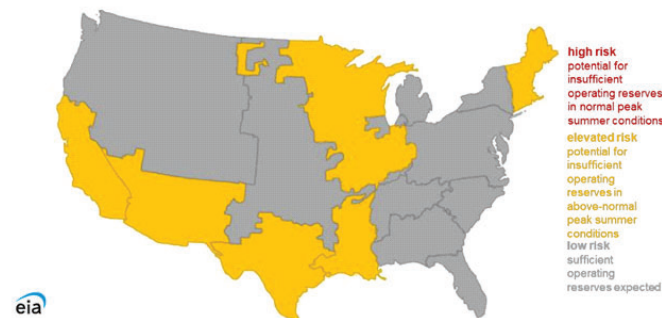
Forward 12-month NYMEX natural gas strip price - Jul24-Jun25:

Process Load-weighted \$3.459/dth - w/o/w = ▲\$0.236
 Typical Heat Load-weighted \$3.669/dth - w/o/w = ▲\$0.236


NERC reports some U.S. regions at risk for energy shortfalls in extreme summer conditions:

Parts of the United States could be at risk for electricity supply shortages if electricity demand peaks are higher than anticipated or if less electricity is generated than expected, according to the North American Electric Reliability Corporation's (NERC) 2024 Summer Reliability Assessment. Under normal summer demand conditions, NERC expects the continental United States to have adequate power resources this year. No areas of the United States evaluated by NERC were considered high risk this summer, a category that means an area is at risk of outages during normal summer conditions. Electricity demand increases as temperatures rise and homes and businesses use more air conditioning. Higher-than-normal summer temperatures can affect reliability two ways: by increasing electricity demand for air conditioning and by increasing the risk of power plant outages and reduced output from heat-related issues. In addition, widespread heat waves can limit the typical movement of electricity because it is needed to meet increased local demand. Transmission can be limited due to the risk of overheating, natural disasters (such as wildfires), and insufficient capacity to carry energy where it needs to go. NERC also highlighted concerns over having enough resources to meet peaks in demand in recent years as baseload generation retirements have increased and variable resources such as solar and wind that have a less stable generation pattern are replacing other power plants. Certain regions NERC assessed are at elevated risk of electricity supply shortages, which means that these areas could face electricity supply shortfalls during periods of more extreme summer conditions. These areas include parts of California, the Southwest, the Midwest, Texas, and New England.

Risk of electricity supply shortfalls this summer, according to NERC's 2024 Summer Reliability Assessment



high risk potential for insufficient operating reserves in normal peak summer conditions
 elevated risk potential for insufficient operating reserves in above-normal peak summer conditions
 low risk sufficient operating reserves expected

Excerpted from 

“Never approach a bull from the front, a horse from the rear or a fool from any direction.” - Old Cowboy Saying