

August 2022 Market Report

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Including market research provided by BUE's analyst and sales teams

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NYMEX Natural Gas Pricing

The September 2022 contract settled at \$9.353/MMBtu.

The October 2022 contract was trading around \$9.18/MMBtu (as of publish date).

Natural Gas Storage Report

Current BCF in Storage (2022 vs 2021):

Week Ending	Total BCF	Week Ending	Total BCF
06-Aug-21	2,776	05-Aug-22	2,501
13-Aug-21	2,822	12-Aug-22	2,519
20-Aug-21	2,851	19-Aug-22	2,579
27-Aug-21	2,871	26-Aug-22	2,640

There is about 8% less in underground storage now than there was at this same time last year.

Weather (as of publish date)

6-10 Day: A pattern change will end the western US heatwave and shift late-summer warmth across the northern US...Monitoring global tropical activity.

Above-average temperatures are expected across much of the US, except for the southern tier and the Northwest.

11-15 Day: A pattern change will erode late-season warmth, leading to more typical September weather.

Above-average temperatures are most likely to occur across the northern half of the US while the southern half should expect slightly cooler than average temperatures.

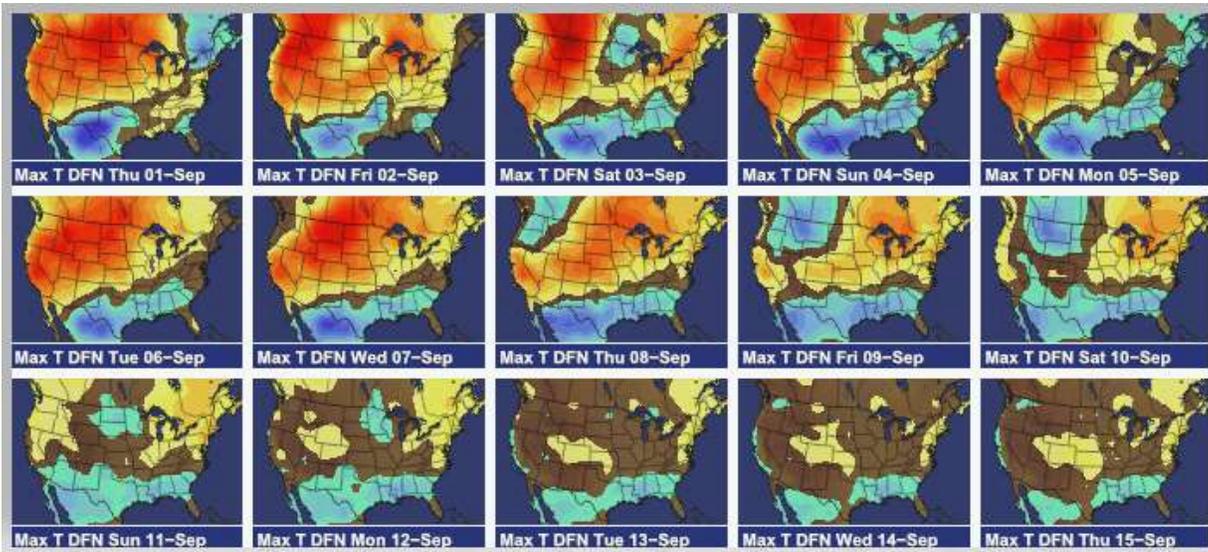


Photo and forecast courtesy of WSI Trader.

Market Updates

Pipeline projects announced to expand Permian natural gas capacity

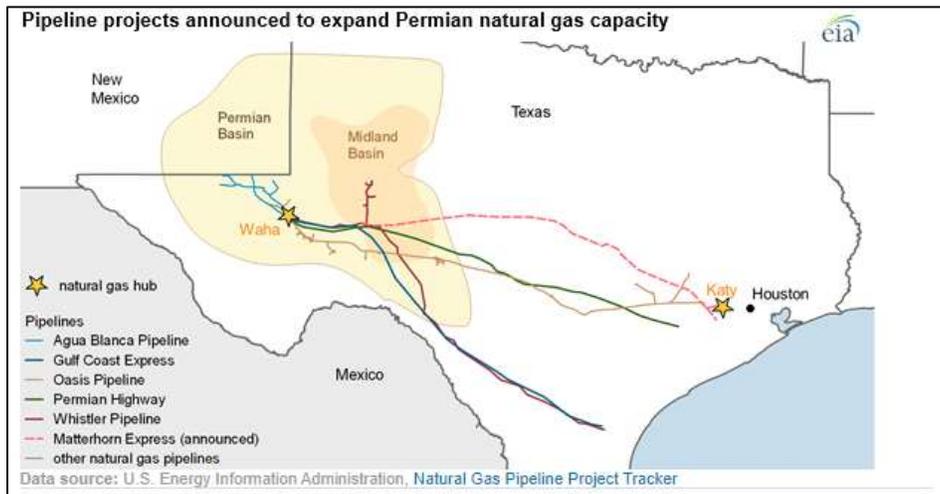
<https://www.eia.gov/todayinenergy/detail.php?id=53319>

Three expansion projects were announced in May & June of 2022:

- 1) Gulf Coast Express – enter service by 12/2023
- 2) Permian Highway – enter service by 11/2023
- 3) Whistler Pipeline – enter service by 9/2023

New Pipeline announced in May: Matterhorn Express. It will be 490 miles long, able to transport 2.5 Bcf per day from Waha Hub to Katy, TX and should be in service by 3Q24.

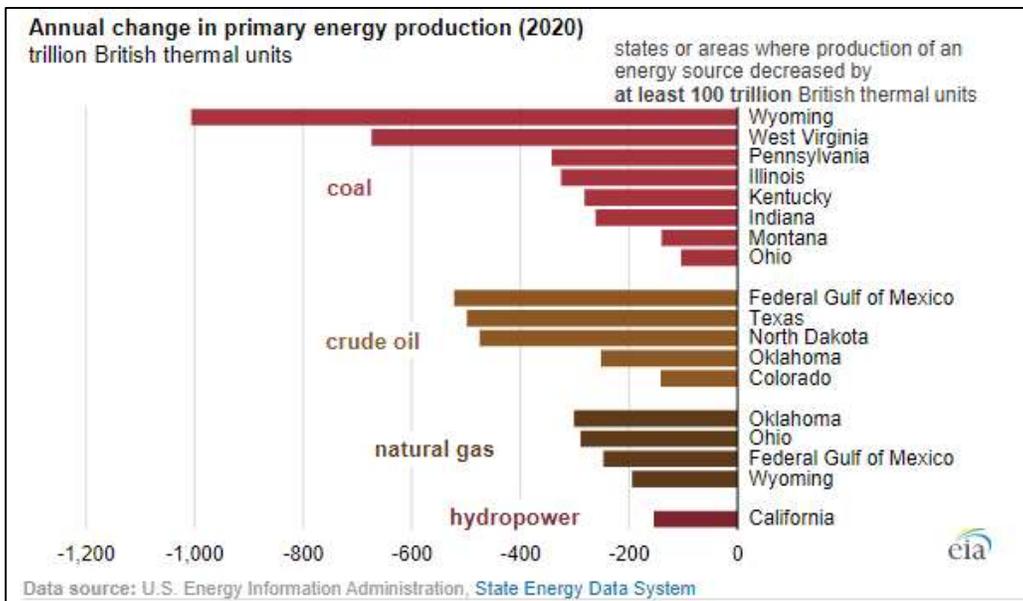
The pipeline under construction – and expected to be in service by the end of 2022: Oasis Pipeline Modernization Project.



Energy production declined by record amounts in several states in 2020

<https://www.eia.gov/todayinenergy/detail.php?id=53359>

In 2020, energy production in the United States fell by record amounts since the year before, mostly due to decreased economic activity during the pandemic. U.S. coal production fell by 25% (its lowest level since 1965), crude oil production fell by 8%, natural gas decreased by less than 1%, renewable energy increased by less than 1% and nuclear generation fell by 2%.



Turmoil in the natural gas market spells trouble ahead

https://www.cnn.com/2022/08/23/investing/premarket-stocks-trading/index.html?utm_source=facebook&utm_medium=news_tab

After the announcement that Russia's Gazprom would suspend flows to Germany via the Nord Stream 1 pipeline, European natural gas prices remain steady at rates almost 10 times higher than last year. In the United States, prices are significantly lower, but still rising, too. US prices have hit their highest level in 14 years. Increased energy use during heat waves, demand from Europe as countries try to stock up for winter and lagging production are some of the main causes of US jumps.

