

Gas Traders' Anxiety Over Winter Storage Fading, Analyst Says
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By Naureen S. Malik

(Bloomberg) -- Natural gas traders who used to get spooked when backup supplies held in U.S. storage were scanty as winter approached are shrugging it off just 12 weeks before the heating season kicks off, says Laird Dyer, a former Royal Dutch Shell Plc analyst.

Gas inventories stowed in salt caverns and depleted aquifers probably won't reach normal levels before Americans begin firing up furnaces in late October or early November, Dyer said at the LDC Gas Forums' Rockies & West conference in Los Angeles on Tuesday. A key reason is there's almost no premium for winter gas relative to current supplies, which means zero incentive to pay to pump the fuel into storage, he noted. Traders and buyers for utilities, however, are largely unfazed thanks to the firehose of gas supplies unleashed by shale drillers from the Rocky Mountains to Appalachia. Even with gas stockpiles 4.5% below the five-year average, futures are at a multi-decade seasonal low and knocking on the door of \$2 per million British thermal units for the first time since 2016.

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