

## The Commodities Feed: Natural gas under pressure

While European gas prices continue to edge lower, US natural gas prices have also come under pressure, falling to their lowest levels since May 2021



### Energy - US natural gas falls below \$3/MMBtu

ICE Brent settled almost unchanged yesterday with little in the way of fresh developments. The EIA released its latest inventory report, which showed that US crude oil inventories increased by 533Mbbls over the last week. This was less than the 3.38MMbbls build the API reported the previous day. However, crude oil stocks increased by 4.27MMbbls at Cushing, leaving total inventories at the WTI delivery hub at 35.69MMbbls - the highest since December 2021. The build in Cushing has coincided with weakness in the prompt WTI spread, which is trading in contango at the moment. Changes in refined product stocks over the last week were relatively minor. Gasoline inventories increased by 1.76MMbbls, while distillate fuel oil stocks fell by 507Mbbls.

US natural gas prices have come under further pressure with Henry Hub falling below US\$3/MMBtu this morning for the first time since May 2021. Milder weather has meant that the drawdown of gas storage has been much more modest than usually seen at this time of year.

## Metals - Codelco copper output declines

Codelco, the world's largest copper producer, produced 172,000 fewer tonnes of copper in 2022, a 10% drop from 2021, chairman Maximo Pacheco said on Tuesday. Codelco produced an estimated 1.446 million tonnes of copper in 2022, compared to 1.618 million tonnes in 2021. Pacheco said 77% of the reduction was due to problems with operations while 23% was due to project delays.

Copper continued to trade around its highest level in more than seven months amid supply risks in South America and continued optimism over China reopening.

### Author

#### Warren Patterson

Head of Commodities Strategy

[Warren.Patterson@asia.ing.com](mailto:Warren.Patterson@asia.ing.com)

#### Ewa Manthey

Commodities Strategist

[ewa.manthey@ing.com](mailto:ewa.manthey@ing.com)

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