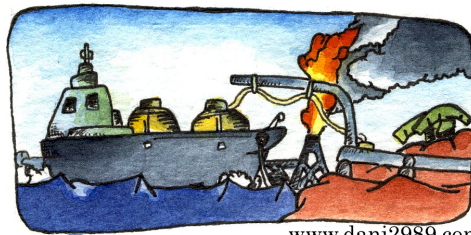


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The price of the natural gaz, future.

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The natural gas is the second source of energy to the world it deserves well some lines of explanations on the evolution of its price.

I have already approached [the price of the natural gas in 2005](#) to indicate a likely increase, after this increase I find that it is today again useful to study the evolution of the price of the natural gas in dollars in the USA (price for cubic one thousand feet of natural gases = 28.174m³). The prices of the natural gas returned in a low zone. Numerous companies of investigations and production of natural gas saw the price of their actions divided by two or by three for two years, we are can be not far from the sales?

The price of the natural gas since 1976

A. Delivery and stocking of the natural gas.

The big difference for the users of natural gas with regard to the petroleum it is the complexity of its stocking (ground waters, salt cavities, old deposits of hydrocarbons, fluid natural gas), that also complicates its transport (transport by gas main or by gas carrier with transformation in natural gas liquefied in an expensive factory before the transport). The natural gas has in no way the same constraints of delivery as the petroleum (one barrel of petroleum is easier to transport and to store). The delivery and the stocking are more complex, the slightest increase of the demand is confronted with a too weak stocking and a complex delivery. This lack of flexibility enters supply and demand allows the price of the natural gas to know very strong variations.

B. The price of the natural gas since 1976.

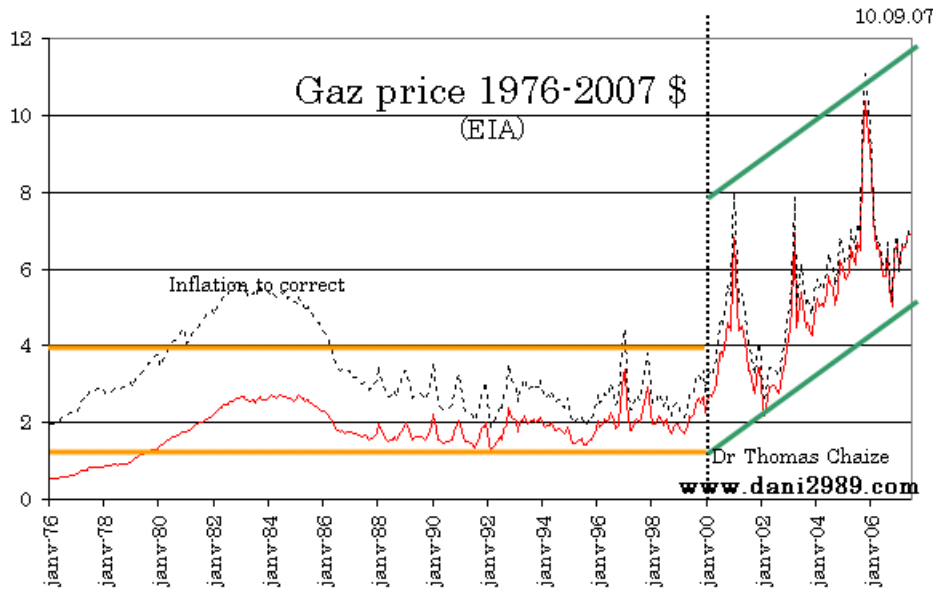
- The price of the natural gas from 1976 till 2007 :

There is as a horizontal canal of the prices of the natural gas which varies between 2 and 5 dollars. The prices fall every summer and grow up every winter, in a more or less strong way. The horizontal canal of the prices of the gas stays in a very low zone from 1976 till 2000, between 2 and 5 dollars.

- The prices of the natural gas since 2000 :

The price of the natural gas went out of its horizontal canal in 2000 to exceed 15 dollars, what is a new record. The price of the natural gas will never return

wisely to its horizontal canal at the prices ridiculously low, it is a major change of tendency.



[pdf](#)

- The world peak of production will take place much more late for the natural gas than for the petroleum ([Hubert's curve](#)), but for certain countries as the USA the peak would have already taken place between 2000 and 2005, what will have obligatorily consequences about the natural gas's price in north America.....

The price of the natural gas since 1993

A. Three valuable canals for the price of the natural gas.

→ Before 2000: 2 - 5 dollars.

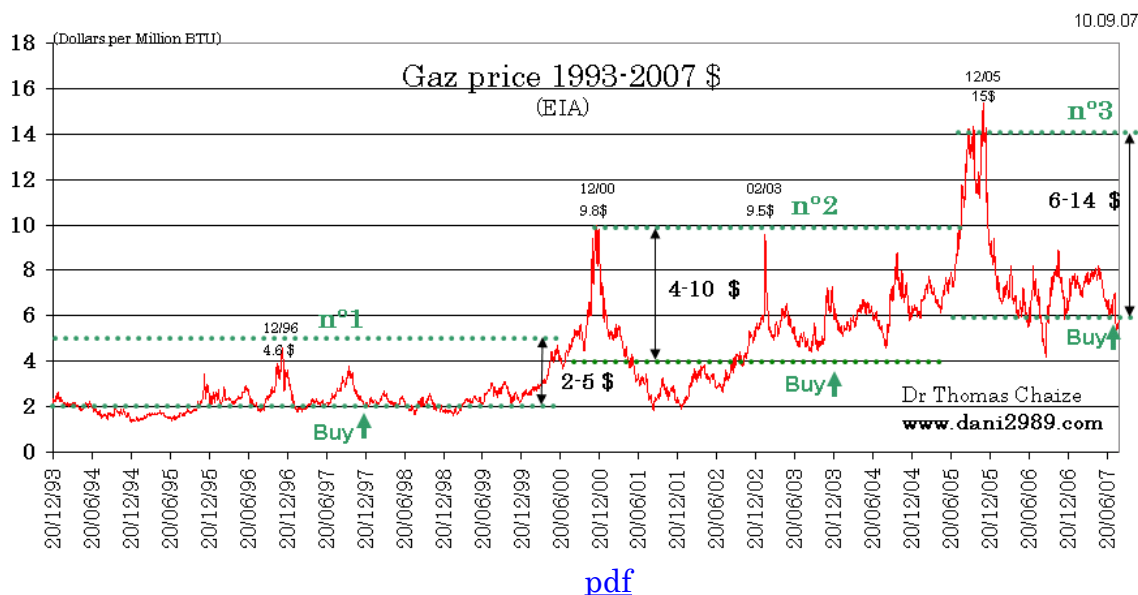
→ 2000 in 2005: 4 - 10 dollars.

→ Bitter on 2005: from 6 to 14 dollars.

Minimal price:

- **The minimal** of the price of the natural gas is less and less low, 2 dollars, 4 dollars and today 6 dollars. I think that every new valuable floor is a definitive minimum. It seems to me little likely to see again one day a valuable level of the natural gas durably in the zone of 2 dollars, or 4 dollars, otherwise in a very brief way.

- **The maximal price** of the foot cubic of gas is increasingly high. We are crossed by 5, in 10 then 15 dollars in maximum value. The next crisis on the market of the natural gas is going to have new records. However, it is difficult to know this moment exactly, because the natural gas is much more cyclic than the petroleum and knows more violent valuable increases because of its mode of stocking and delivery.



B. Perspective of the prices of the natural gas.

- The perspectives of the natural gas are good, even excellent long-term, minimum price tripled. Before 2000, 5 dollars represented an exit for the investors, it is an excellent front door today, what was yesterday a maximum became a minimum today.
- As we can notice it on the graph, the period from December till February is the most convenient to the price increase, this is a function of climatic conditions (the record increases have generally place at the end of December). It is thus interesting to bet on the natural gas in autumn and to sell at the beginning of the spring.
- The natural gas has minimal and maximum prices which follow the evolution of the oil price (increase of the demand in [China](#) and in India on bottom of [peak world of production of petroleum](#)). The valuable records are started by specific causes in the natural gas: the meteorology with a very cold winter (important demand), the problems of disturbance of the transport (for example infrastructures damaged by hurricanes in the golf of Mexico), insufficient stocking, this ends in strong temporary imbalance between the offer and the demand thus implying sharp increases in the prices.
- For information, 45 % of electricity's the production capacities of USA are composed of natural gas (.32 % coal and [nuclear](#) 10 %). These last years, 96 % of the new production capacities of electricity in the USA result from new power plants in the natural gas, nevertheless only 18.7 % of the production of electricity results from some natural gas, [the demand of electricity](#) is too in a bullish tendency, guess the continuation....

→The variations of the price of the natural gas are very violent. The price enters most low and the highest maybe multiplied by three, however it does not prevent

from seeing a bullish tendency long-term. The heights and the bottom increase in the long run.

→ If the price of the gas keeps the same growth rate for very long term (2 - 5 years), the next canal will be with a 8-dollar minimum and a maximum above 20 dollars. However, it is necessary to be very patient and to distrust its sharp increases which can come down again so fast which rose.

→ To summarize the summary (yes it is possible!), the tendency long term is **very bullish**, but it is **vital** to be careful on the very strong seasonal swings.

Dr Thomas Chaize

« To have the sense of the deep unity of things, it is to have the sense of the anarchy, and the effort to make to reduce things by returning them to the unity..»

« Avoir le sens de l'unité profonde des choses, c'est avoir le sens de l'anarchie, et de l'effort à faire pour réduire les choses en les ramenant à l'unité.. »

Antonin Artaud

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