

# Energy Market Report

Report Date: May 18, 2018

Report Week: May 9, 2018 to May 16, 2018

Questions?

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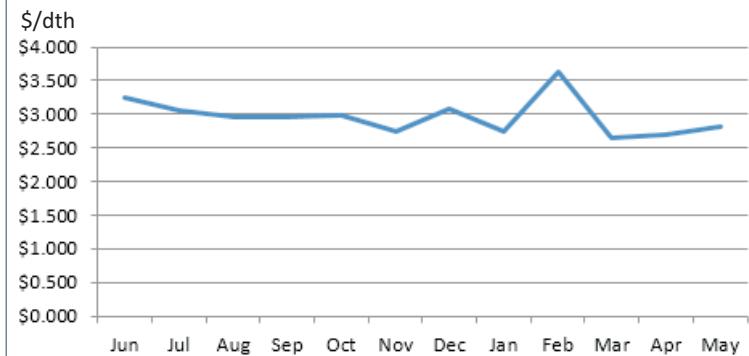
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## News Tracker:

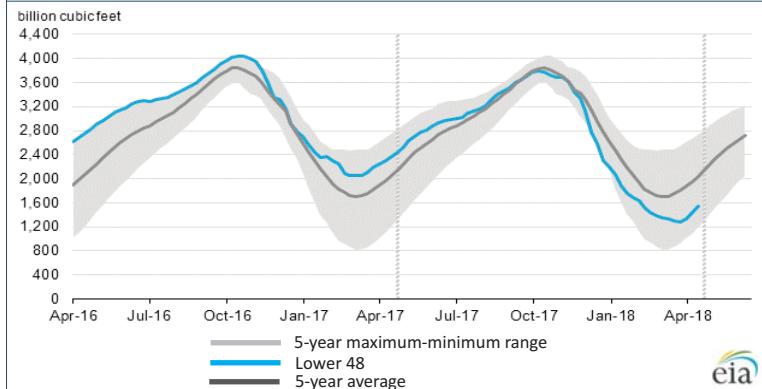
- Natural gas spot prices rose at most locations from Wednesday, May 9 to Wednesday, May 16 (the Report Week). The Henry Hub spot price rose from \$2.72 per million British thermal units (MMBtu) to \$2.78/MMBtu from start to finish of the Report Week.
- At the New York Mercantile Exchange (Nymex), the June 2018 natural gas futures contract price rose 8¢ from \$2.737/MMBtu to \$2.815/MMBtu from open to close of the Report Week.
- Net natural gas injections top the 100 Bcf threshold in May for the first time since 2015.* Net injections into storage totaled 106 Bcf for the week ending May 11, compared with the five-year (201317) average net injection of 87 Bcf and last year's net injections of 64 Bcf during the same week. This report week had the largest reported May weekly net injection since May 29, 2015, when net injection reached its record high of 132 Bcf. Net injections during the week averaged 15.1 Bcf/day; net injections will have to average 13.1 Bcf/day for the remainder of the refill season to match the five-year average level (3,806 Bcf) by October 31. Working gas stocks totaled 1,538 Bcf, which is 501 Bcf (25%) lower than the five-year average and 821 Bcf (35%) lower than last year at this time.
- Total U.S. consumption of natural gas rose by 4% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 8% week over week as average temperatures for the week rose higher than 75°F in parts Texas and the Southeast. Industrial sector consumption stayed constant, averaging 19.9 Bcf/d. In the residential and commercial sectors, consumption increased by 3% with much of the West and Northeast cooler this report week compared with last report week. Natural gas exports to Mexico were the same as last week, averaging 4.4 Bcf/d.
- According to Baker Hughes, for the week ending Tuesday, May 8, the natural gas rig count increased by 3 to 199. The number of oil-directed rigs rose by 10 to 844. The total rig count increased by 13, and it now stands at 1,045.

Excerpted from 

## Monthly NYMEX Natural Gas Settle Price: Jun 2017 - May 2018:



## Working nat. gas in underground storage as of May 11, 2018

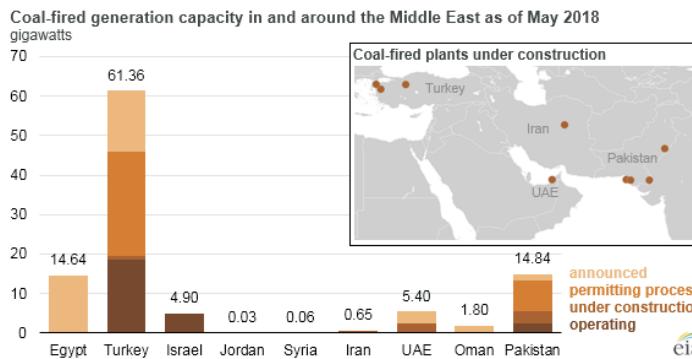


## Forward 12-month NYMEX natural gas strip price - Jun18-May19:

Process Load-weighted \$2.846/dth - w/o/w =  $\Delta \$0.071$   
Typical Heat Load-weighted \$2.902/dth - w/o/w =  $\Delta \$0.071$

## Countries in and around the Middle East are adding coal-fired power plants:

Planned coal-fired capacity additions from a number of countries in and around the Middle East will add 41 gigawatts (GW) of new electric generating capacity over the next decade, based on announced projects and projects currently in the permitting process. Another 3 GW of coal-fired capacity is currently under construction in these countries. About 12 GW of coal-fired generating capacity or about half of the region's coal-fired generating fleet has come online since 2006. Coal capacity in the region is typically less than that of other fuels because coal accounts for less than 1% of primary energy production in the region. Turkey is the heaviest user of coal-fired power among these countries with a capacity of approximately 18.5 GW, followed by Israel (4.9 GW) and Pakistan (2.5 GW). Turkey and Pakistan both plan to add more coal capacity over the next decade. Egypt, Oman, Iran, Jordan, and the United Arab Emirates (UAE) have no current coal-fired electricity generation, but they each plan to build coal capacity in the near future. New coal capacity is currently under construction in the UAE, Iran, and Jordan. In addition, Egypt and Oman have announced plans for new coal-fired generators. In the UAE, new coal-fired capacity will come from Dubai's Hassyan Project. The project consists of 3.6 GW of ultra-supercritical generating capacity. Ultra-supercritical coal plants use boilers that heat coal to higher temperatures, which increases the pressure of steam to improve efficiency and results in less coal use and fewer carbon emissions than other boiler technologies.



"For to win one hundred victories in one hundred battles is not the acme of skill.

To subdue the enemy without fighting is the acme of skill." -Sun Tzu<sup>1</sup>

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<sup>1</sup>[https://www.brainyquote.com/quotes/sun\\_tzu\\_138179](https://www.brainyquote.com/quotes/sun_tzu_138179)