LEGACY ENERGY®
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Energy Market Report

Report Date: January 25, 2019
Report Week: January 16, 2019 to January 23, 2019

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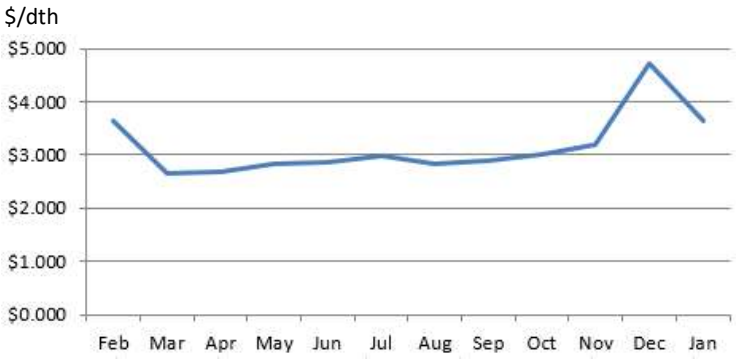
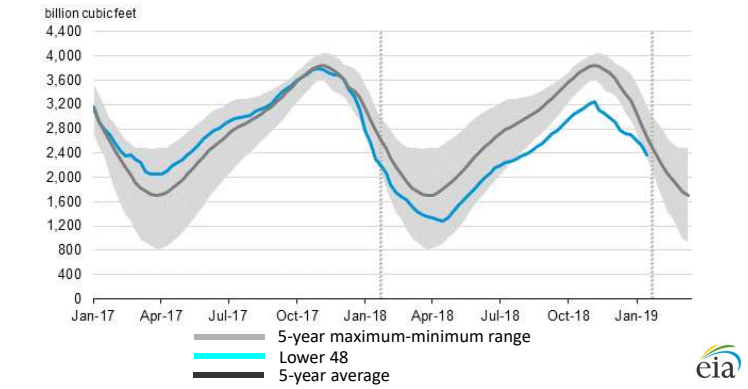
Newstracker:

-Natural gas spot prices fell at most locations for the Report Week of Wednesday, January 16 to Wednesday, January 23. Henry Hub spot prices fell during the Report Week from $3.61 per million British thermal units (MMBtu) to $3.10/MMBtu.
-At the Nymex, the price of the February 2019 natural gas futures contract decreased 40¢, falling from $3.384/MMBtu to $2.98/MMBtu from open to close of the Report Week. The price of the 12-month strip averaging February 2019 through January 2020 futures contracts declined 5¢/MMBtu to $2.917/MMBtu.
-Net withdrawals from storage totaled 163 Bcf for the week ending January 18, compared with the five-year (201418) average net withdrawals of 185 Bcf and last year's net withdrawals of 273 Bcf during the same week. Working gas stocks totaled 2,370 Bcf, which is 305 Bcf (11%) lower than the five-year average and 33 Bcf (1%) more than last year at this time. The average rate of net withdrawals from storage is 28% lower than the five-year average so far in the withdrawal season (November through March). If the rate of withdrawals from storage matched the five-year average of 14.4 Bcf/d for the remainder of the withdrawal season, total inventories would be 1,331 Bcf on March 31, which is 305 Bcf lower than the five-year average of 1,636 Bcf for that time of year.
- 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 was flat, averaging 25.3 Bcf/d. Industrial sector consumption increased by 1% week over week. In the residential and commercial sectors, consumption increased by 8% as cold temperatures spurred heating demand. Natural gas exports to Mexico increased 1%.
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 5¢/MMBtu, averaging $6.51/MMBtu for the week ending January 23. The price of natural gasoline fell by 2%. The price of ethane and butane rose by 2%, and the price of propane rose by 1%.
-According to Baker Hughes, for week ending Tuesday, Jan. 15, the natural gas rig count decreased by 4 to 198. The number of oil-directed rigs fell by 21 to 852. The total rig count decreased by 25, and now stands at 1,050. This is the largest week-over-week decrease in total rig count since February 2016.

Monthly NYMEX Natural Gas Settle Price: Feb 2018 - Jan 2019:



Working natural gas in underground storage as of Jan. 18, 2019

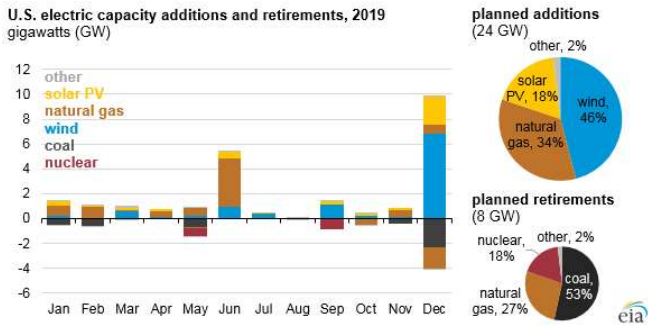


Forward 12-month NYMEX natural gas strip price - Feb9-Jan20:

Process Load-weighted $2.965/dth - w/o/w = ▼$0.047
Typical Heat Load-weighted $3.060/dth - w/o/w = ▼$0.089

New electricity generating capacity in 2019 will come from renewables and natural gas:

Utility-scale electric generation capacity additions projected for 2019 consist primarily of wind (46%), natural gas (34%), and solar photovoltaics (18%). Wind. A total of 10.9 GW of wind capacity is currently scheduled to come online in 2019. Most of the capacity will not come online until the end of the year, which is typical for renewable capacity. Natural gas. Planned natural gas capacity additions are primarily in the form of combined-cycle plants (6.1 GW) and combustion-turbine plants (1.4 GW). Most of the natural gas capacity is scheduled to be online by June 2019 in preparation for high summer demand. Solar photovoltaics. Nearly half of the 4.3 GW of utility-scale electric power sector solar photovoltaic (PV) capacity additions are located in three states: Texas, California, and North Carolina. Scheduled capacity retirements for 2019 primarily consist of coal (53%), natural gas (27%), and nuclear (18%). Coal. Most of the coal retirements are scheduled to occur at the end of 2019. Half of the planned retirement capacity for coal is at a single plant, Navajo, located in Arizona that first came online in the 1970s. The 4.5 GW of coal-fired capacity expected to retire in 2019 is relatively small compared with the estimated 13.7 GW that retired in 2018, which was the second-highest amount of coal capacity retired in a year. Natural gas. The scheduled natural gas retirements (2.2 GW) consist mostly (2.0 GW) of steam turbine plants. The natural gas steam turbine plants that are scheduled to retire are all older units that came online in the 1950s or 1960s. Most of the retiring natural gas steam turbine capacity (1.6 GW) is located in California. Nuclear. Two nuclear plants totaling 1.5 GW are currently scheduled to retire in 2019. The Pilgrim Nuclear Power Station, located in Massachusetts, is scheduled to retire in May, and the remaining unit at the Three Mile Island Power Station, located in Pennsylvania, is scheduled to retire in September.



Excerpted from eia

"For the poison of hatred seated near the heart doubles the burden for the one who suffers the disease; he is burdened with his own sorrow, and groans on seeing another's happiness." -Aeschylus[1]

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[1]https://www.brainyquote.com/quotes/aeschylus_404203