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Energy Market Report

Report Date: May 3, 2024

Report Week: April 24, 2024 to May 1, 2024

Questions?
Ph: 888-351-0981
info@legacyenergy.com
www.legacyenergy.com

Newstracker:

-US natural gas spot prices rose at most locations from Wednesday, April 24, to Wednesday, May 1 (the Report Week), during which the Henry Hub spot price rose 4 cents to $1.63/MMBtu.

-The May 2024 NYMEX natural gas futures contract expired Friday, April 26 at $1.614/MMBtu, down 4 cents from the previous Wednesday. The June 2024 futures contract fell 5 cents to $1.932/MMBtu for the Report Week. The price of the 12-month strip averaging June 2024 through May 2025 futures contracts fell 5 cents to $2.880/MMBtu. International natural gas futures prices decreased this Report Week, with LNG cargoes in East Asia falling 21 cents to a weekly average of $10.31/MMBtu, and prices at TTF in the Netherlands falling 30 cents to a weekly average of $9.07/MMBtu. In the same week last year, prices were $11.54/MMBtu in East Asia and $12.32/MMBtu at TTF.

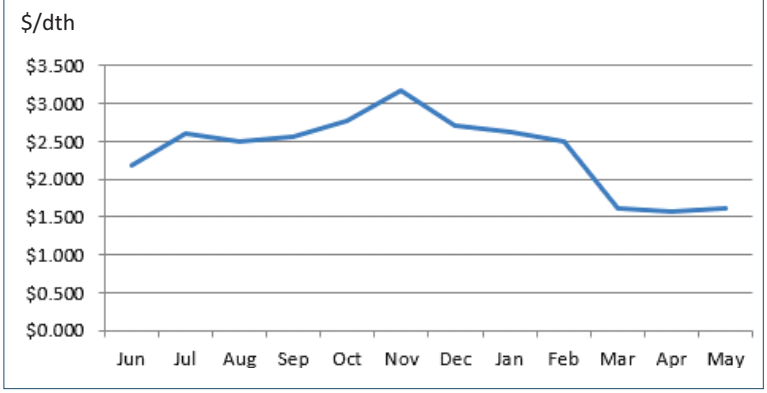
-Total US consumption of natural gas fell by 6.4% (4.7 Bcf/d) compared with the previous Report Week. Residential and commercial sector consumption declined by 28.9% (5.8 Bcf/d), and industrial sector consumption decreased by 3.0% (0.7 Bcf/d). Natural gas consumed for power generation climbed by 5.9% (1.8 Bcf/d) week over week. Natural gas exports to Mexico increased 2.2% (0.1 Bcf/d). Natural gas deliveries to US LNG export facilities averaged 12.2 Bcf/d, 0.7 Bcf/d higher than last Report Week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by nearly 2 cents/MMBtu, averaging $7.21/MMBtu for the week ending May 1. Propane prices decreased 1%, while Brent crude oil prices were relatively unchanged week over week. The propane discount to crude oil increased 2% for the week.

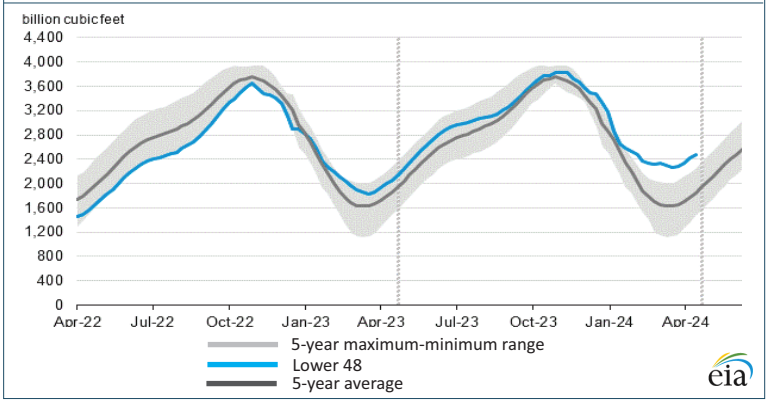
-For the week ending Tuesday, April 23, the natural gas rig count fell by 1 rig to 105 rigs. The number of oil-directed rigs fell by 5 rigs to 506 rigs. The present total rig count, which includes 2 miscellaneous rigs, stands at 613 rigs, 142 fewer rigs than last year at this time.

-Net natural gas injections into storage totaled 59 Bcf for the week ending April 26, compared with the 5-year average net injections of 72 Bcf and last year's net injections of 62 Bcf during the same week. Working natural gas stocks totaled 2,484 Bcf, which is 642 Bcf (35%) more than the five-year average and 436 Bcf (21%) more than last year at this time. Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Apr 2023 - May 2024:



Working natural gas in underground storage as of Apr. 26, 2024

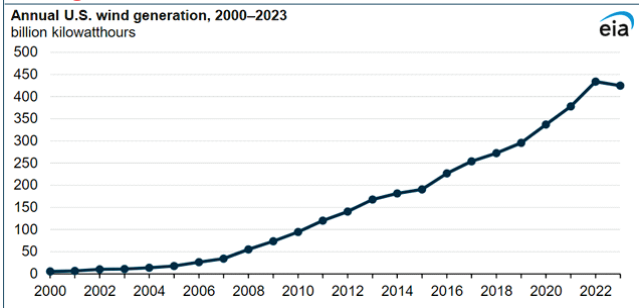


Forward 12-month NYMEX natural gas strip price - Jun24-May25:

Process Load-weighted $2.880/dth - w/o/w =▼$0.046

Typical Heat Load-weighted $3.208/dth - w/o/w =▼$0.045

Wind generation declined in 2023 for the first time since the 1990s despite added capacity:



US electricity generation from wind turbines decreased for the first time since the mid-1990s in 2023 despite the addition of 6.2 gigawatts (GW) of new wind capacity last year. US wind generation in 2023 totaled 425,235 gigawatthours (GWh), 2.1% less than the 434,297 GWh generated in 2022. US wind capacity increased steadily over the last several years, more than tripling from 47.0 GW in 2010 to 147.5 GW at the end of 2023. Electricity generation from wind turbines also grew steadily, at a similar rate to capacity, until 2023. Last year, the average utilization rate, or capacity factor, of the wind turbine fleet fell to an eight-year low of 33.5% (compared with 35.9% in 2022, the all-time high). The 2023 decline in wind generation indicates that wind as a generation source is maturing after decades of rapid growth. Slower wind speeds than normal affected wind generation in 2023, especially during the first half of the year when wind generation dropped by 14% compared with the same period in 2022. Wind speeds increased later in 2023, and wind generation from August through December was 2.4% higher than during the same period in 2022. Wind speeds had been stronger than normal during 2022. The decline in wind generation in 2023 was not uniform across the US. Wind generation decreased the most in the upper Midwest, which includes the East North Central Census Division and West North Central Census Division. Wind generation in the East North Central Census Division declined by 6% compared with 2022, and it declined in the West North Central Census Division by 8%. The Mountain Census Division reported a smaller reduction of 2%. These three census divisions account for half of the installed wind capacity in the US. Wind generation in 2023 in other regions of the US was slightly higher than in 2022. The West South Central Census Division had 3% more wind generation in 2023, and the Pacific Coast Census Division had 1% more. Wind generation in Texas, which has the largest wind generation fleet in the United States, increased by 4.4% in 2023. Texas had an installed wind capacity of 40.7 GW in 2023, accounting for 28% of the national total. Excerpted from eia

"What I am looking for is a blessing not in disguise." -Jerome K. Jerome[1]

[1] https://www.brainyquote.com/quotes/jerome_k_jerome_119855