

January 23 - 27, 2023 MARKET SUMMARY



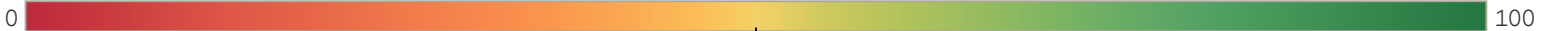
SPOTLIGHT | In China, Extreme Cold Spikes Natural Gas Prices

While many parts of the U.S. and Europe have seen mild winters so far this year, parts of China are experiencing the coldest temperatures on record. A combination of short supply due to the Russia-Ukraine war and increased demand associated with the loosening of China's zero COVID policy, has led to a lack of resources for many local governments....

While many parts of the U.S. and Europe have seen mild winters so far this year, parts of China are experiencing the coldest temperatures on record. A combination of short supply due to the Russia-Ukraine war and increased demand associated with the loosening of China's zero COVID policy, has led to a lack of resources for many local governments. The national government is instructing smaller governments to provide for their residents, but due to the massive allocation of funds to maintain the zero-COVID policy over the past three years, local governments are struggling to meet market prices. While many European governments have offered residential subsidies and told consumers to conserve usage early on, China has reduced the number of subsidies for consumers. China is one of the few countries that has increased consumption of Russian gas over the last year, purchasing it at very high prices, and resulting in a lower incentive for distributors to sell to residential customers who pay a capped price for gas.

CES SCORE | Is it Time for Action?

The CES SCORE shows how current wholesale commodity prices compare to their 52-week range. A score close to 0 indicates that current prices are close to their 52-week **HIGH**; a score close to 100 indicates that current prices are close to their 52-week **LOW**. Many factors influence how wholesale prices are translated into retail prices paid by consumers and when it is time to consider a price lock. Please contact your CES Energy Services Advisor for customized strategic procurement advice.



NATURAL GAS NYMEX TERMS

12 MONTH: 100
18 MONTH: 100
24 MONTH: 100
36 MONTH: 95

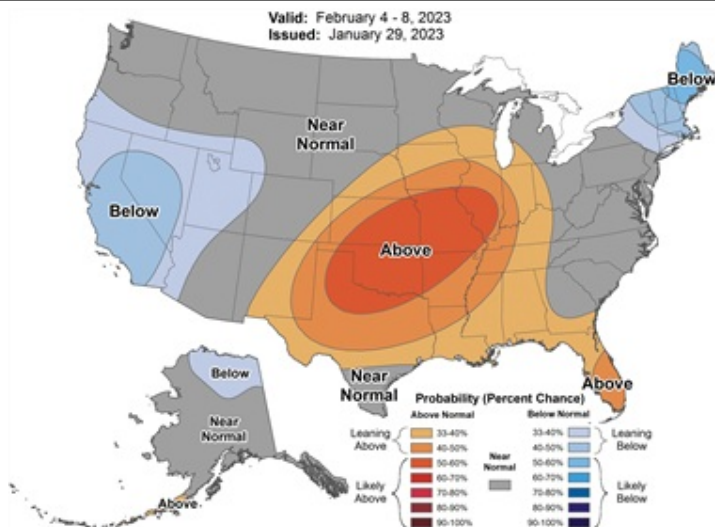
NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 80
18 MONTH: 76
24 MONTH: 73
36 MONTH: 70

CRUDE OIL TERMS

12 MONTH: 59
18 MONTH: 57
24 MONTH: 55
36 MONTH: 52

WEATHER | 6-10 Day Forecast



Below average temperatures are expected for New England and California. Above average temperatures are expected for the south east region and Texas, with near normal temperatures expected for the rest of the country.

This map depicts forecasted temperatures for next week compared to the long-term average. The **blue/purple** areas are forecast to be colder than normal, gray areas are normal, and **yellow/orange/red** areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase the price for natural gas, oil, and electricity.

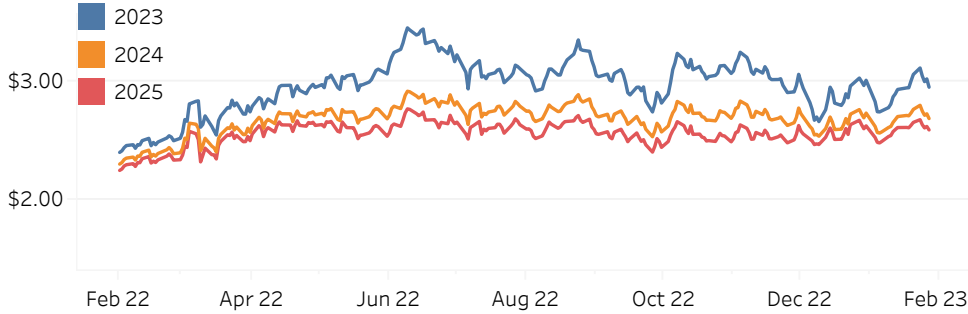
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OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

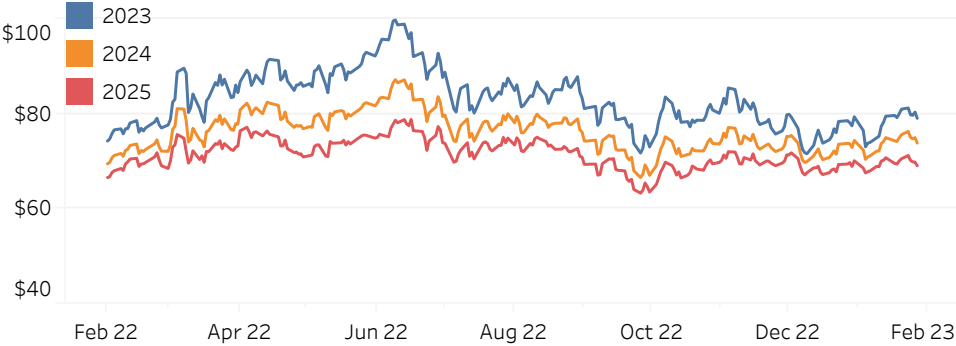


Prompt Month Price For Feb 23

This Week:	\$79.68/Bbl
Prior Week:	\$80.33/Bbl
CHANGE:	\$0.65/Bbl

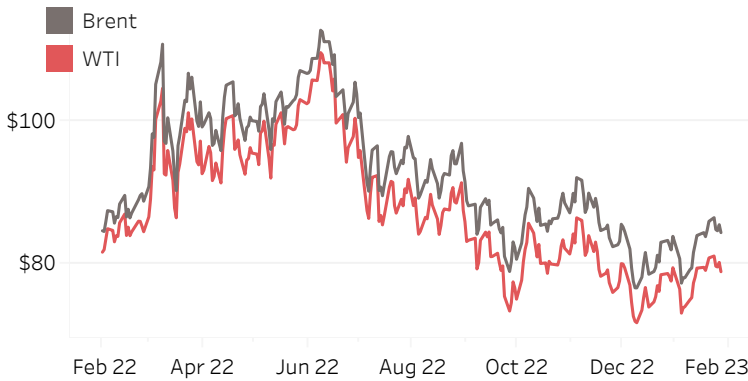
WTI closed at \$79.68/Barrel on Friday, down 2% from the week prior. The WTI benchmark remains supported as demand is projected to grow as Beijing reopened borders for the first time in 3 years and the U.S. Commerce Department's GDP Report posted faster than expected economic growth in the fourth quarter of 2022. This result should be received with caution as analysts expect this to be the last quarter of solid GDP growth before the effects of the Federal Reserve's interest rate hikes are fully realized. Crude inventories saw another week over week gain of half a million barrels, up to 448.5 million barrels for the week ending on January 20th. The EIA predicts U.S. crude production in 2023 and 2024 will outpace the previous record of 12.3 million barrels per day from 2019.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

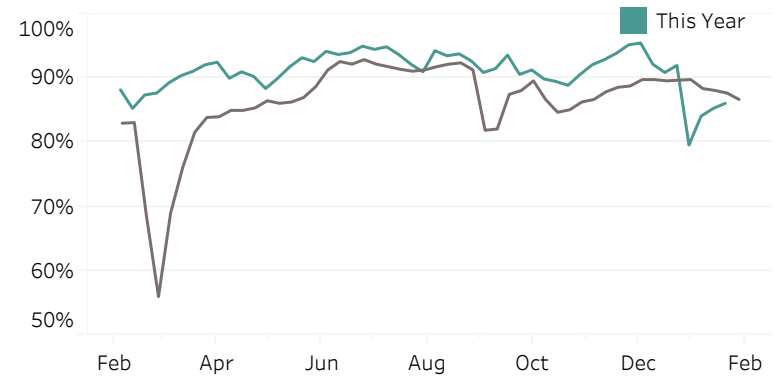


FUNDAMENTALS

CRUDE OIL 12-MONTH ROLLING STRIP - \$/BARREL

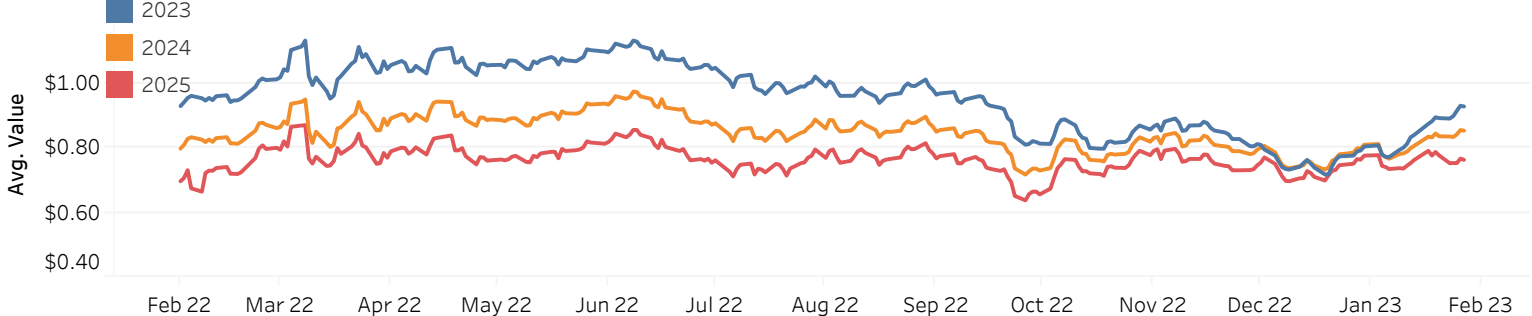


U.S. REFINERY RATES



PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



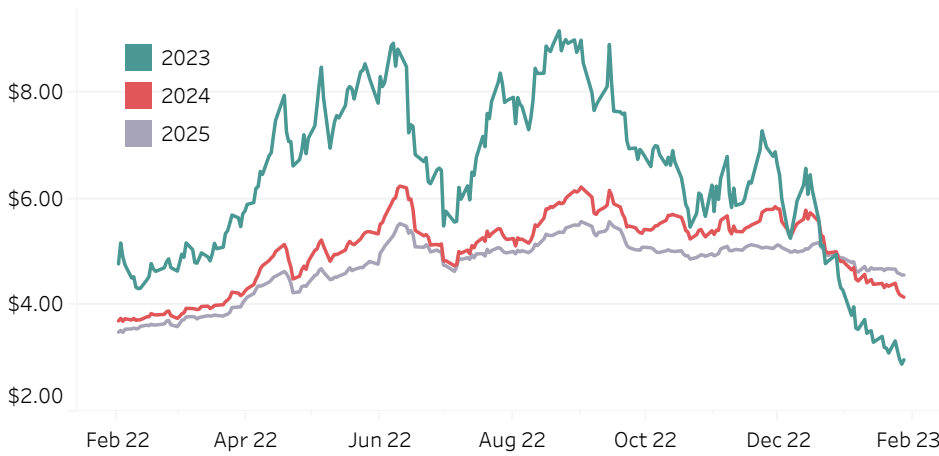
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NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX STRIPS - \$/MMBTU



Prompt Month Price For Feb 23

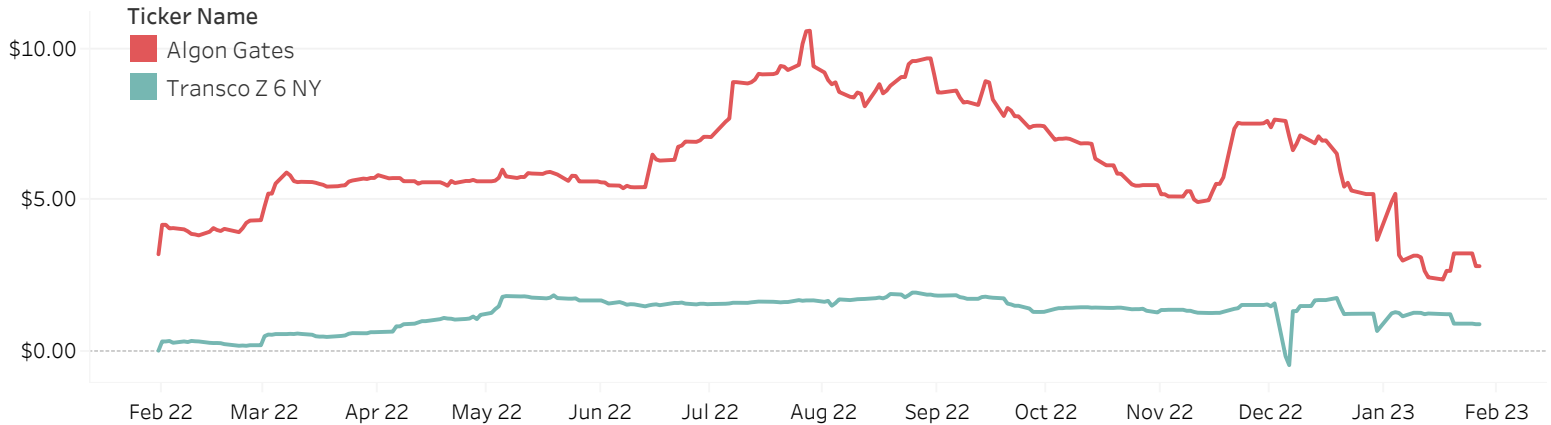
This Week:	\$3.11/MMBTU
Prior Week:	\$3.28/MMBTU
CHANGE:	(\$0.17)/MMBTU

Natural gas front-month futures settled at \$3.11 on Friday, resulting in a 1.89% decrease from the previous week. Warmer than normal winter weather seen in much of the U.S. and Europe have caused a drop in heating demand, leaving inventories full and dismissing storage concerns. Production stayed steady throughout the week at around 100 Bcf/day helping prices decline further. The EIA reported a light withdrawal for the prior week. Leaving inventories 128 bcf above the 5-year average. The strong storage and production levels seen for most of January continue to drive down prices, leaving futures unphased even as warm weather forecasts transition to cold bitter temperatures in early February.

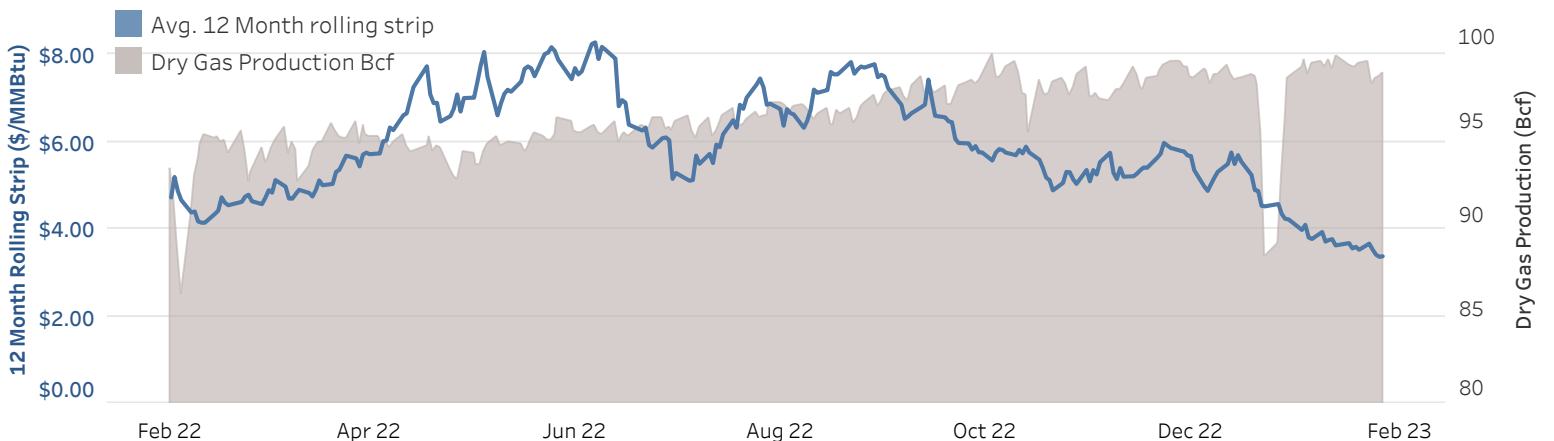
Winter natural gas NYMEX strips are an average of commodity prices for the months of December - March of each winter. Prices are presented in this format to highlight what consumers will pay during the typical heating season in the U.S.

NATURAL GAS FUNDAMENTALS

NATURAL GAS BASIS - ROLLING 12 MO. FUTURES STRIP - \$/MMBTU



U.S. NATURAL GAS PRICE VS. PRODUCTION



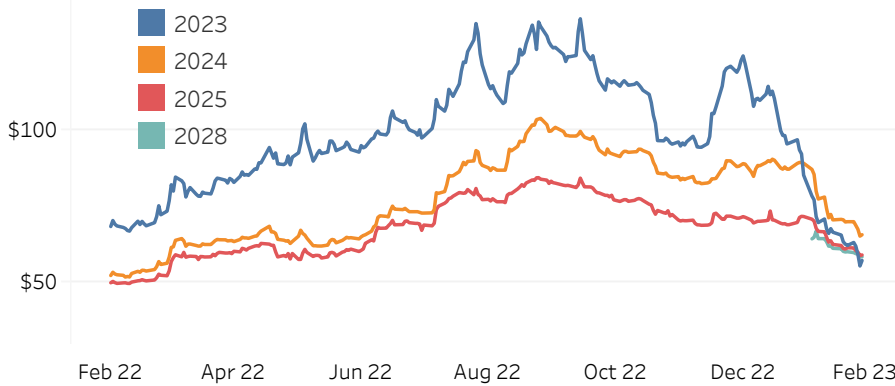
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NEW ENGLAND ELECTRICITY OVERVIEW

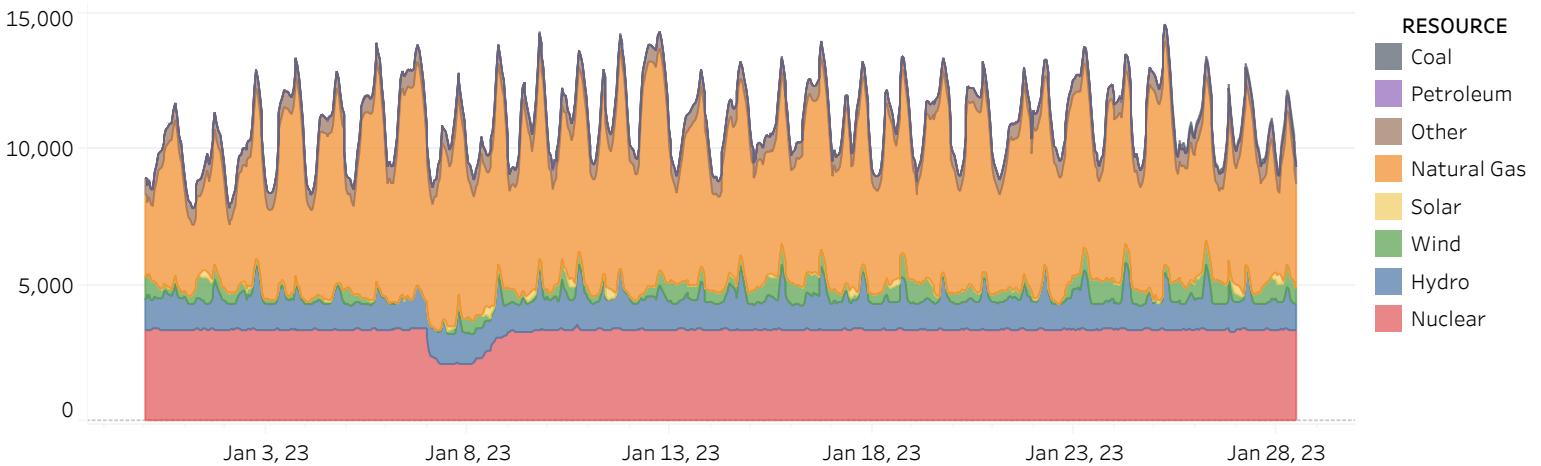
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-month strip decreased 10.96% week-over-week, to land over \$5 less than last week, at \$61.91/MWh. The 2023 strip settled at \$55.65/MWh, representing a week-over-week decrease of 11.37%. The 2024 strip decreased 6.61%, settling at \$65.41/MWh, and the 2025 strip dropped 3.48% to \$59.06/MWh. Mild temperatures continue to keep prices low and are expected to continue into February. Mild temperatures reduce heating demand, which reduces natural gas and electricity consumption. Natural gas prices, which are a good indicator of New England electricity prices, have also continued to trend downward. There was also a natural gas storage withdrawal last week, although the amount of natural gas in storage currently exceeds the 5-year average.

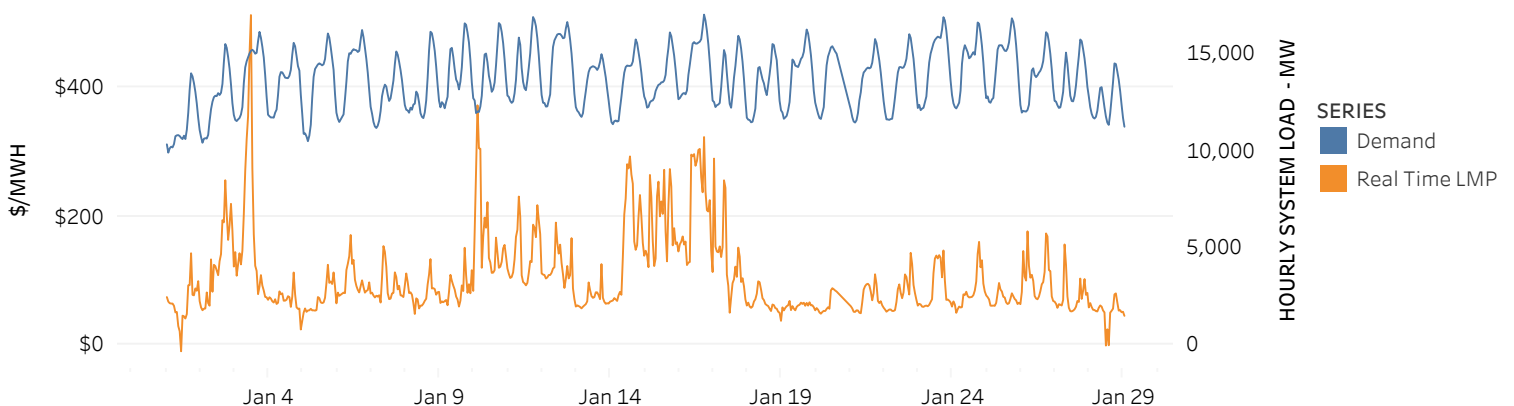
NEW ENGLAND REGIONAL ELECTRICITY GRID GENERATION MIX

ISO-NE GRID ELECTRICITY GENERATION MIX - EXCLUDES IMPORTS - MW



NEW ENGLAND GRID FUNDAMENTALS

ISO NE HOURLY GRID DEMAND & REAL TIME LMP RATE



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