

November 29 - December 3, 2021 MARKET SUMMARY



SPOTLIGHT | U.S. Exports of LNG at All-Time High

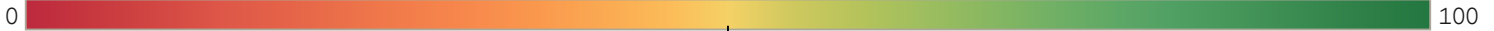


Since the first LNG tanker shipped from the U.S. in 2016, LNG exports have ballooned.

In late November, U.S. exports of liquified natural gas (LNG) exceeded 12 Bcf/day, an all-time high. Since the first LNG tanker shipped from the U.S. in 2016, LNG exports have ballooned. In the first half of 2021, exports averaged 9.6/Bcf, a rise of 42% compared to 2020 and represent about 10% of domestic gas production. With the integration of LNG, cheap U.S. gas has become a global commodity, linking U.S. markets to foreign markets with much higher prices. In early October, the European gas benchmark hit \$39.5/MMBtu and the Japan Korea LNG spot price hit \$56.33/MMBtu, both record high prices. In recent weeks prices have fallen slightly but remain several times the price of U.S. gas. This increase in exports has been sharply criticized by U.S. manufacturers impacted by the subsequent rise in domestic prices, particularly for this upcoming winter. An effort to lobby the U.S DOE to limit exports has not gained traction. LNG exports are expected to continue to rise in 2022.

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: 30
18 MONTH: 27
24 MONTH: 24
36 MONTH: 22

NEW ENGLAND ELECTRICITY TERMS

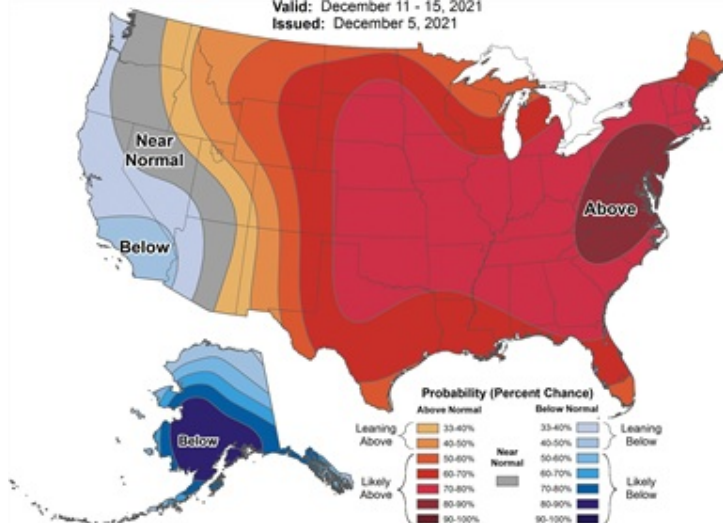
12 MONTH: 22
18 MONTH: 30
24 MONTH: 28
36 MONTH: 27

CRUDE OIL TERMS

12 MONTH: 10
18 MONTH: 10
24 MONTH: 9
36 MONTH: 7

WEATHER | 6-10 Day Forecast

Valid: December 11 - 15, 2021
Issued: December 5, 2021



Above average temperatures expected for all of the East and Midwest, with below average temperatures expected in the West

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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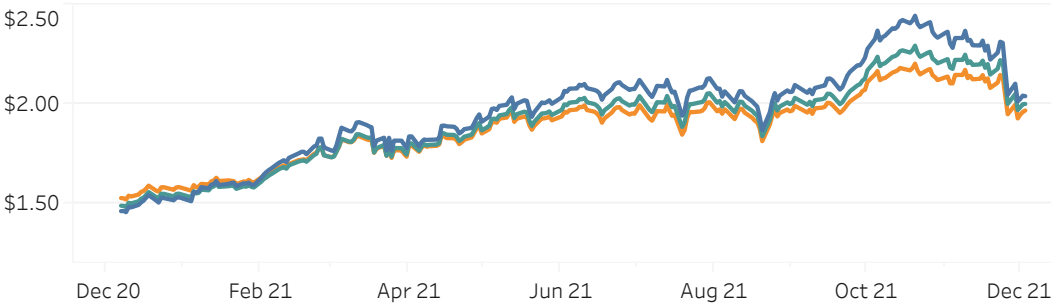
November 29 - December 3, 2021



OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL

2022 2023 2024



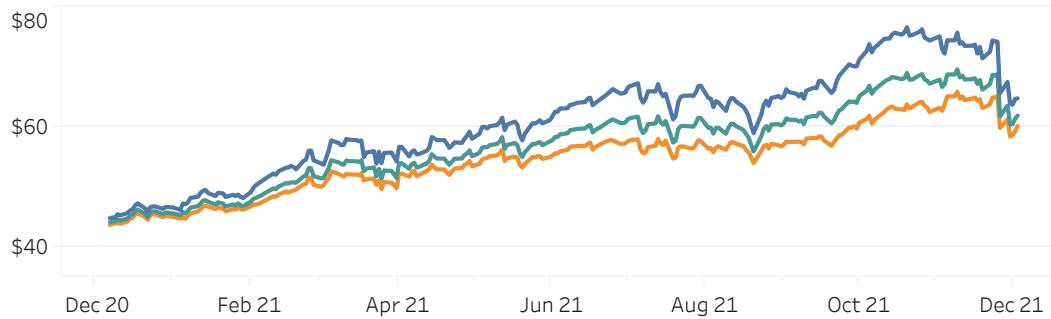
PROMPT MONTH PRICE FOR JAN 22

This Week:	\$66.26/Barrel
Prior Week:	\$68.15/Barrel
CHANGE:	(\$1.89)▼

WTI prices closed at \$66.26 per barrel on Friday, down 15.2% from the week prior. Oil prices posted their sixth weekly loss this week, marking the longest stretch of declines since 2018. The drop was mainly due to the concerns about the rise in COVID-19 cases with the spread of the Omicron variant and the diminishing prospects of a rise in Iranian oil exports after U.S.-Iranian talks were stalled. U.S. crude stocks were down about 0.9 million barrels last week. OPEC has decided to maintain their planned production increase of 400,000 barrels per day, scheduled to begin in January.

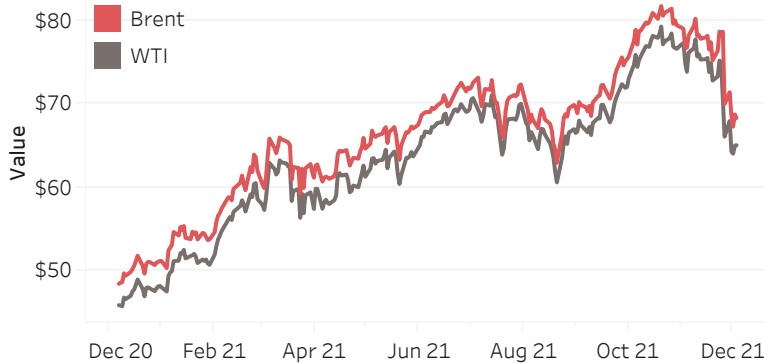
WTI FUTURE CALENDAR STRIPS - \$/BBL

2022 2023 2024

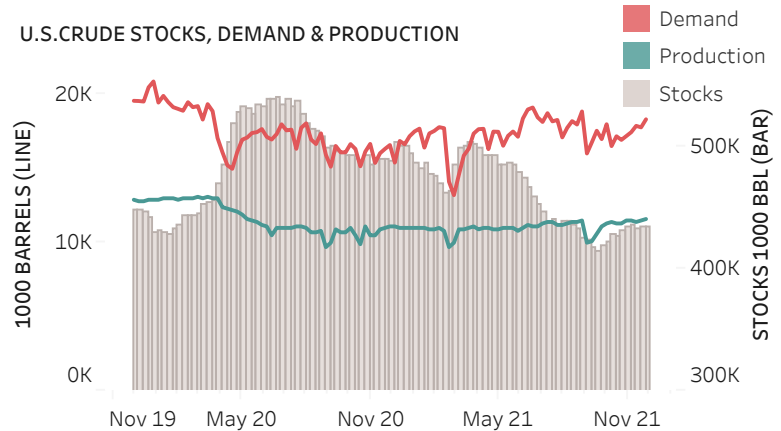


FUNDAMENTALS

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



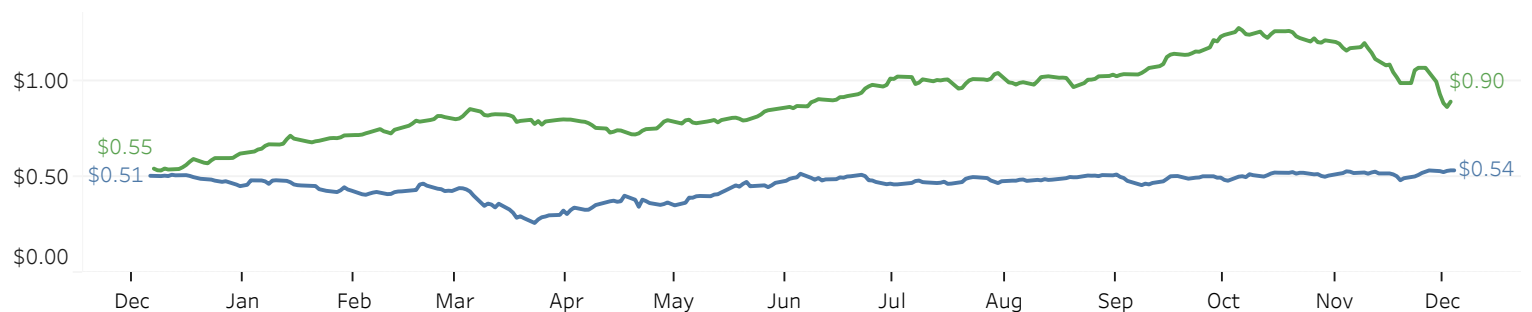
U.S. CRUDE STOCKS, DEMAND & PRODUCTION



PROPANE

MONT BELVIEU 12 MO. ROLLING STRIP - \$/GAL

2019-2020 2020-2021



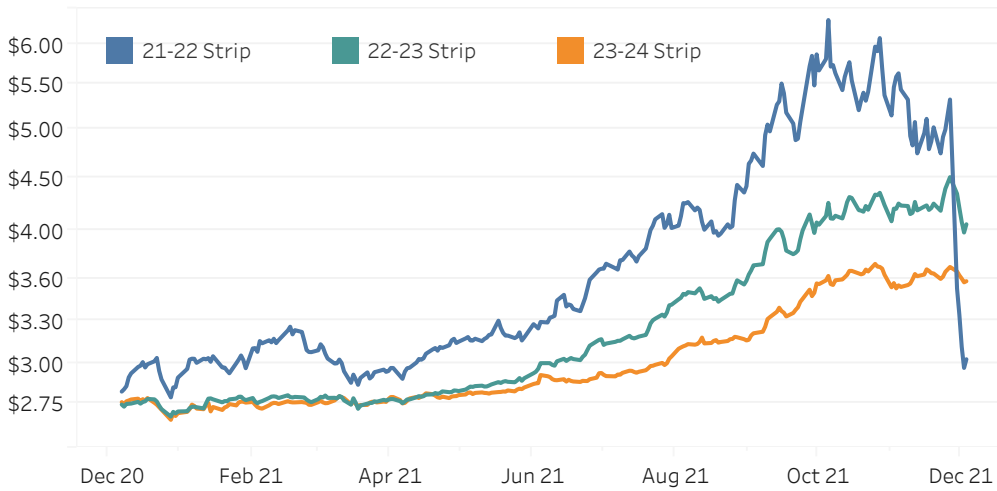
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NATURAL GAS OVERVIEW

WINTER NATURAL GAS NYMEX STRIPS - \$/MMBTU



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.

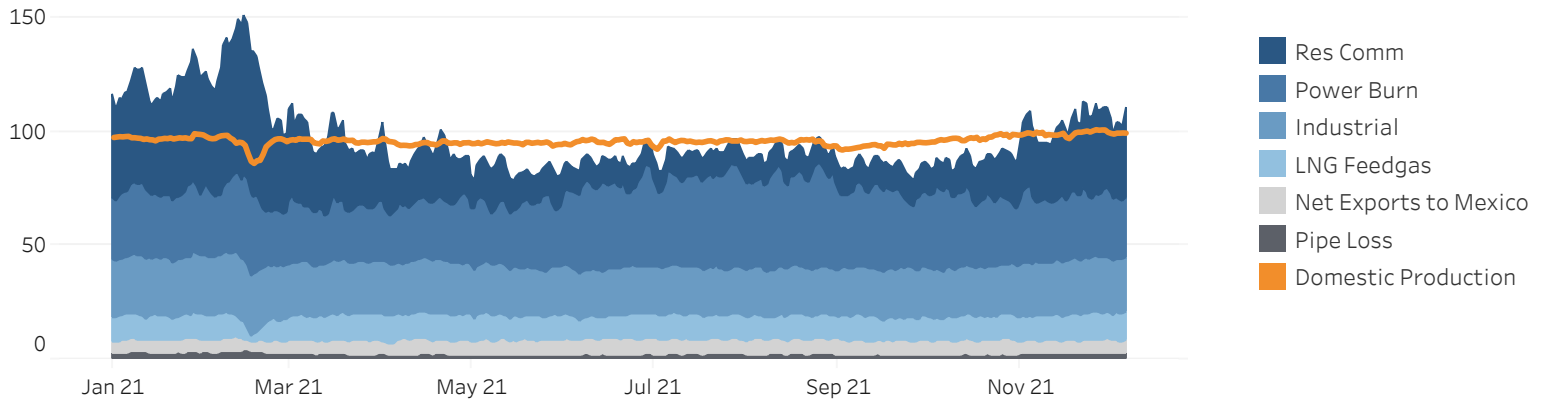
PROMPT MONTH PRICE FOR JAN 22

This Week:	\$4.13/MMBTU
Prior Week:	\$5.45/MMBTU
CHANGE:	(\$1.32) ▼

December natural gas futures dropped 24.1% from the previous week, settling at \$4.13/MMBtu on Friday. U.S gas futures had their worst weekly performance since February 2014, with forecasts for mild December weather across the US expected to reduce heating demand. Additionally, dry gas production grew by 0.9 Bcf/d compared to the previous week, and the EIA reported a net withdrawal of 59 Bcf from storage, moving inventories just 3% below the five-year average. Gas exports remain high, with LNG feedgas demand reaching a record weekly average of 12.1 Bcf/d.

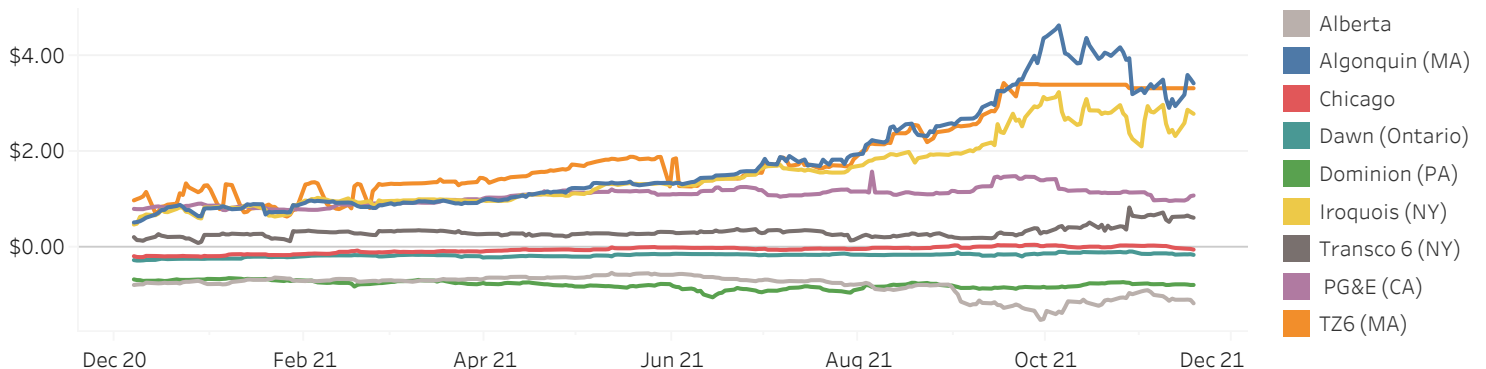
NATURAL GAS FUNDAMENTALS

U.S. NATURAL GAS TOTAL SUPPLY AND DEMAND - BCF



NATURAL GAS BASIS

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



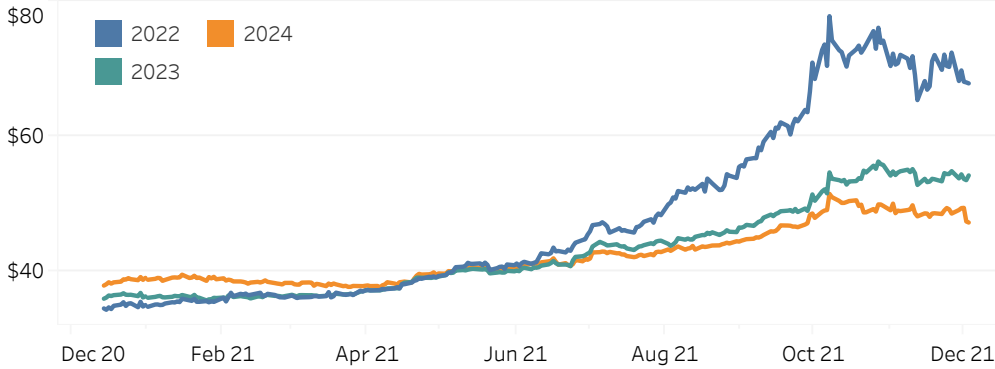
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NEW ENGLAND ELECTRICITY OVERVIEW

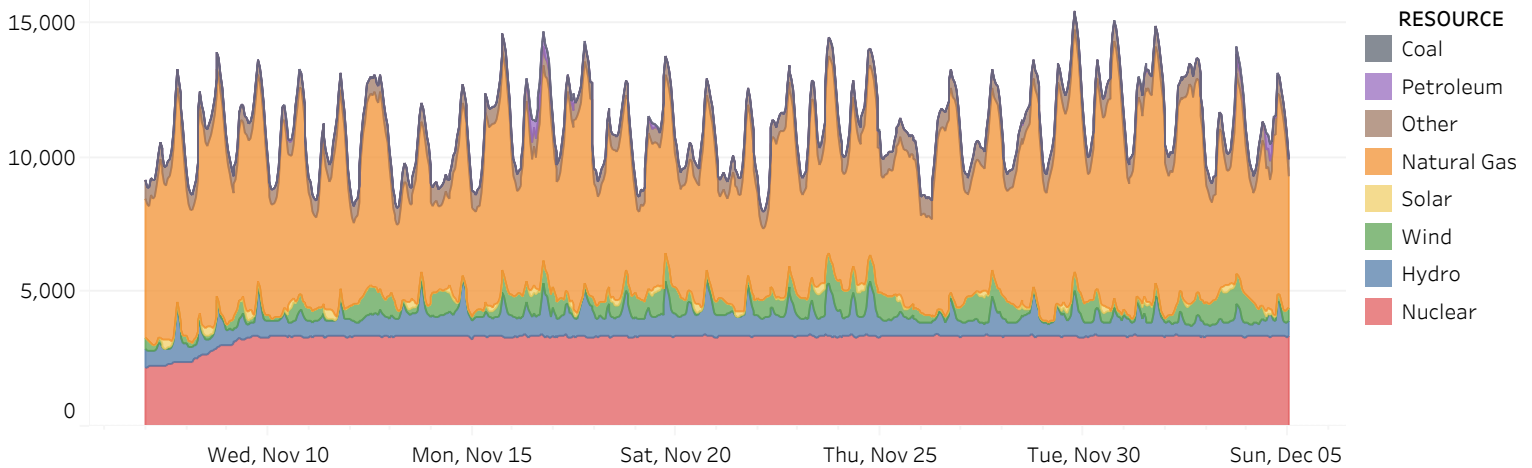
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWH



The NEPOOL 12-mo. strip fell 5.1% week-over-week, ending at \$67.83/MWh on Friday. Calendar strips were also down this week, with the 2022 strip falling 6.3%, the 2023 strip falling 1.1%, and the 2024 strip falling 2.7% week over week. After a sharp increase in prices the previous week, prices fell steadily Monday through Friday. With a warmer December weather outlook forecasting lower heating demand natural gas futures dropped 24% week over week. Electricity prices followed closely and could continue to drop for the duration of December if forecasts hold.

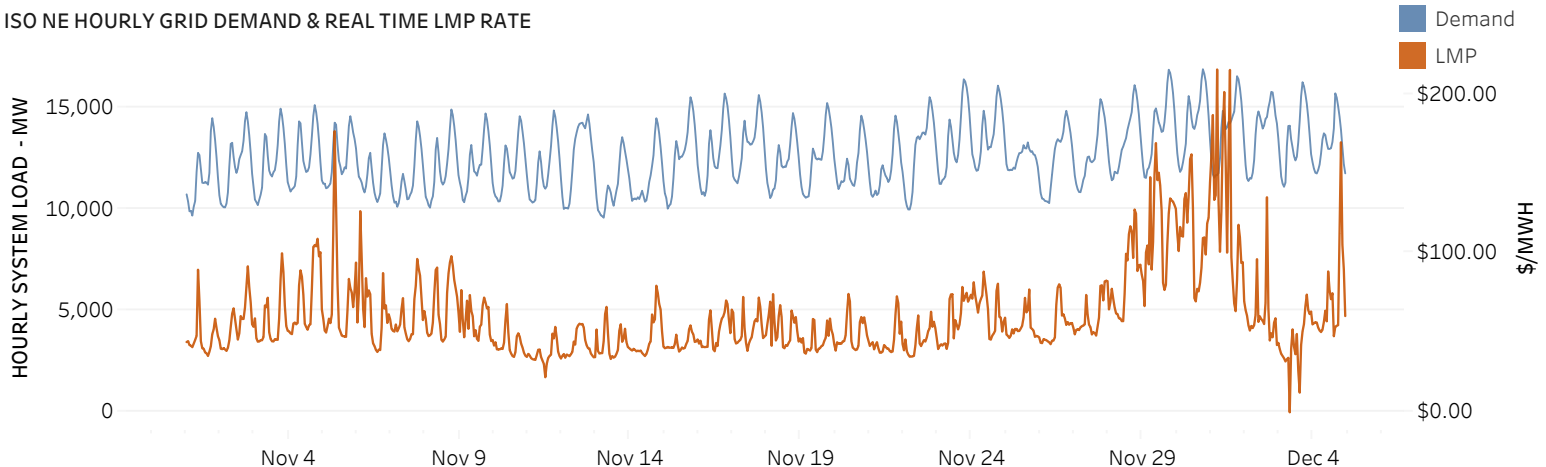
NEW ENGLAND ELECTRICITY SUPPLY

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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