

# June 13 - 17, 2022 MARKET SUMMARY



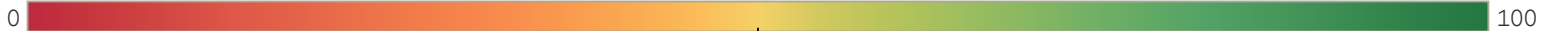
## SPOTLIGHT | Freeport LNG Explosion Shifts Global Supply and Demand

**Two weeks ago, the Freeport LNG export facility in Quintana Island, Texas experienced a large explosion. Originally expected to shut down the facility for three weeks, on June 14 it was announced that it would be at least 90 days before exports resumed. This news sent domestic natural gas prices down about 16% and European and Asia LNG benchmarks surging upward.**

Two weeks ago, the Freeport LNG export facility in Quintana Island, Texas experienced a large explosion. Originally expected to shut down the facility for three weeks, on June 14 it was announced that it would be at least 90 days before exports resumed. This news sent domestic natural gas prices down about 16% and European and Asia LNG benchmarks surging upward. This event creates an interesting dynamic in global markets, as the U.S. will experience a short-term oversupply of 2 Bcf/d while European markets are left at a deficit. This explosion comes at a time where European markets are still looking to offset declines in Russian supplies, and the U.S. is approaching its peak demand for the summer, further straining the global natural gas market. This small cushion provided by the Freeport explosion could disappear quickly with summer cooling demand ramping up in the coming months. The Freeport facility provides about 20% of U.S. LNG processing.

## 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: 35
18 MONTH: 34
24 MONTH: 32
36 MONTH: 28

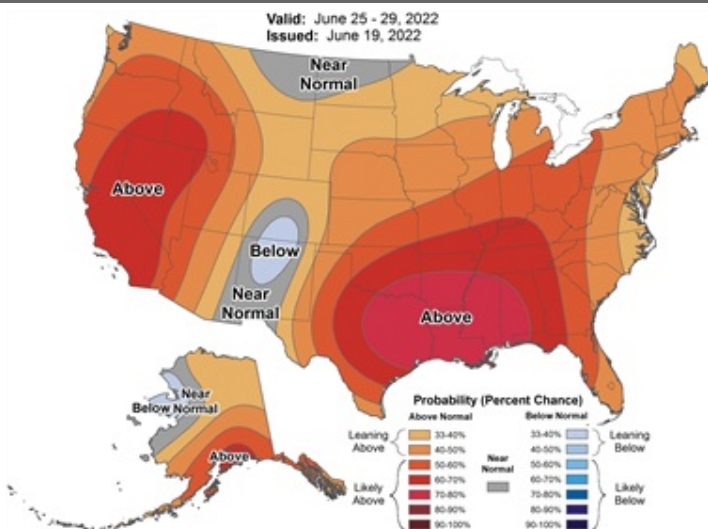
### NEW ENGLAND ELECTRICITY TERMS

12 MONTH: 6
18 MONTH: 3
24 MONTH: 3
36 MONTH: 3

### CRUDE OIL TERMS

12 MONTH: 17
18 MONTH: 16
24 MONTH: 15
36 MONTH: 13

## WEATHER | 6-10 Day Forecast



**Above average temperatures expected for most of the continental U.S. with the hottest temperatures expected in the South and 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.

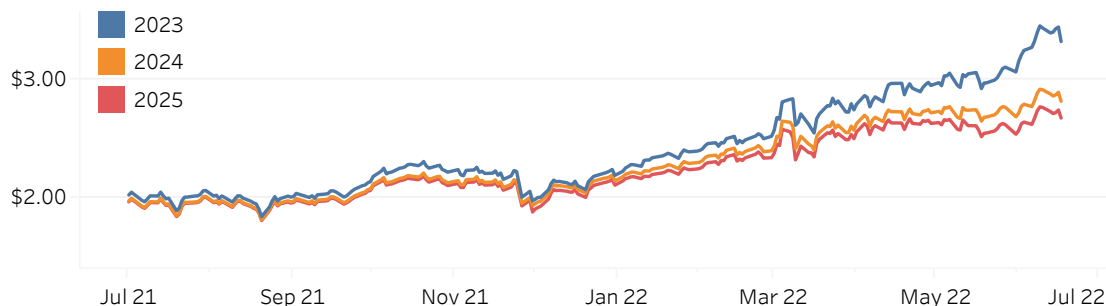
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## OIL & DISTILLATES OVERVIEW

HEATING OIL FUTURE CALENDAR STRIPS - \$/GAL



Prompt Month Price For Jul 22

This Week:	\$109.56/Bbl
Prior Week:	\$121.51/Bbl
CHANGE:	(\$11.95)/Bbl

WTI closed at \$109.56 on Friday, down 9.2% from the week prior. Major central banks, including the Federal Reserve of the U.S., continued to tighten monetary policies and signal further increases to interest rates to reduce ongoing inflation. Interest rate hikes have created worries of a slowing global economy and ensuing cuts in demand for energy. WTI closed at its lowest point since May 12, and for the week dropped for the first time in nearly two months. Despite record highs at the gas pump, futures for U.S. gasoline and diesel also declined for the week.

CRUDE OIL WTI FUTURE CALENDAR STRIPS - \$/BARREL

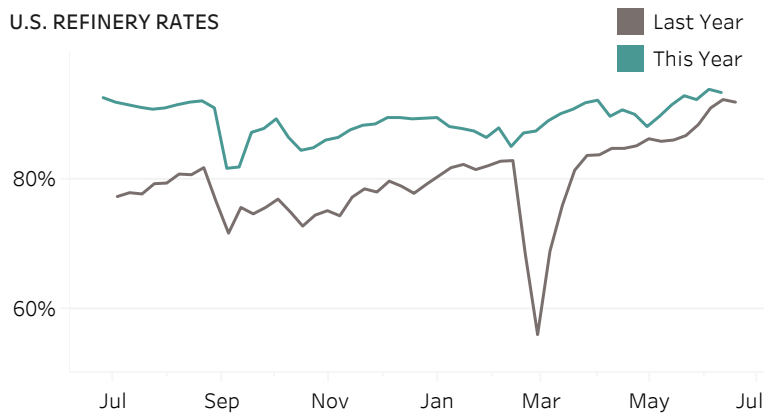


## FUNDAMENTALS

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

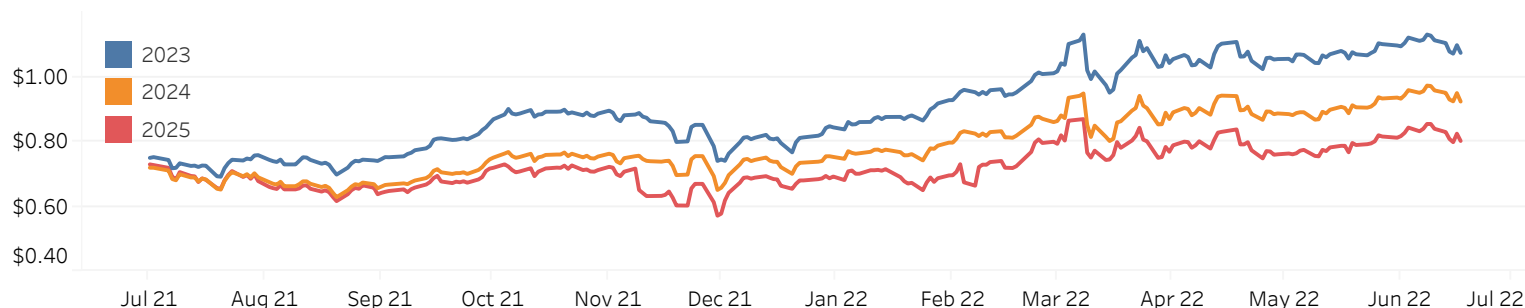


U.S. REFINERY RATES



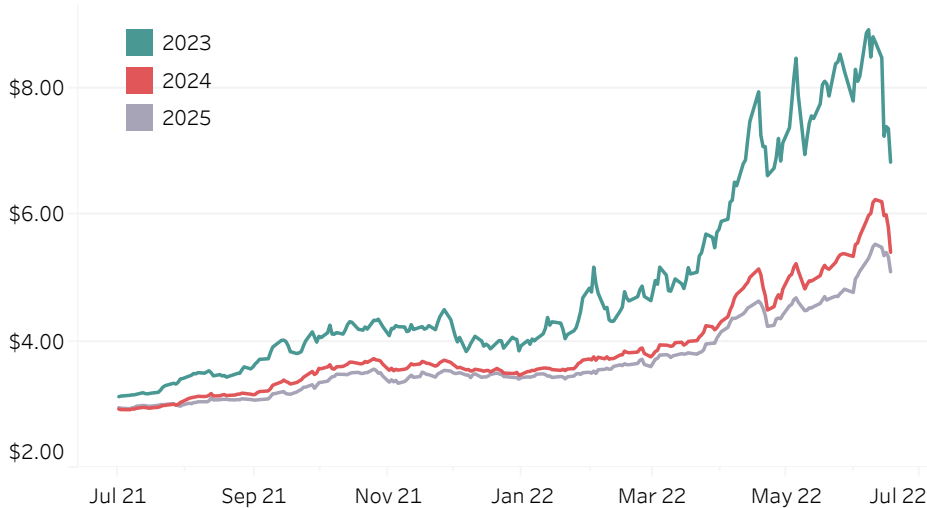
## PROPANE

MONT BELVIEU CALENDAR YEAR STRIPS \$/GAL



### 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.

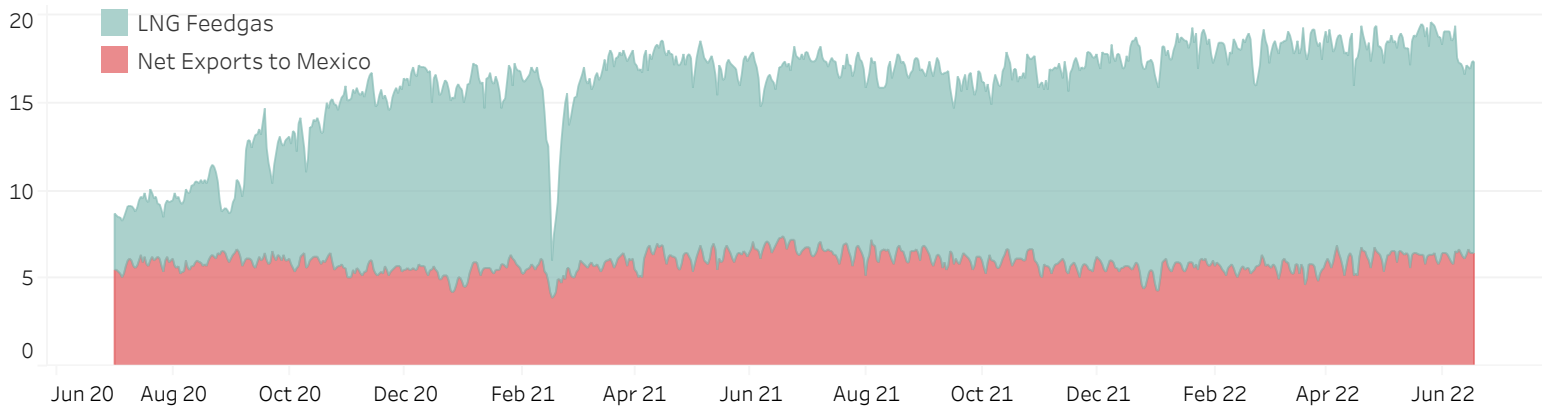
Prompt Month Price For Jul 22

<b>This Week:</b>	\$6.94/MMBTU
<b>Prior Week:</b>	\$8.96/MMBTU
<b>CHANGE:</b>	\$0.37/MMBTU

Front-month natural gas futures decreased 21.6% from the previous week, settling at \$6.94/MMBTU on Friday. The announcement that the Freeport LNG facility would be offline for much longer than initially anticipated caused prices to crash by nearly \$1.50/MMBTU in a single day. The EIA reported a 92 Bcf injection into national storage inventories this week, slightly higher than analyst projections. Furthermore, the Freeport facility's outage could improve the gas storage outlook in the coming months, with analysts projecting an additional 175-200 Bcf of natural gas will be injected into storage this season if the facility cannot resume full operations this year. This occurrence would help ease the current U.S. national storage deficit.

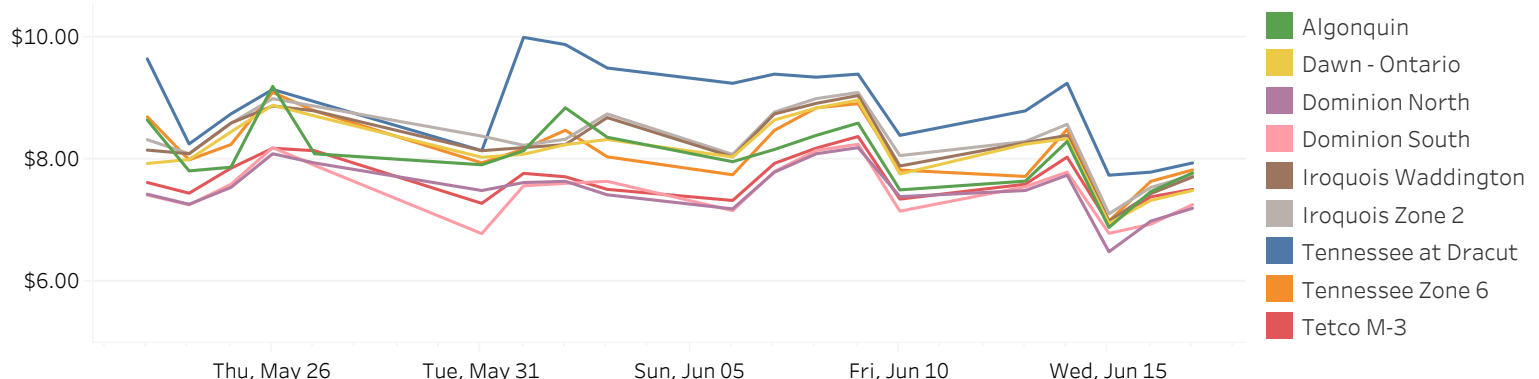
### NATURAL GAS FUNDAMENTALS

U.S. NATURAL GAS TOTAL EXPORTS - BCF



### NATURAL GAS SPOT MARKET

SPOT PRICE - \$/MMBTU



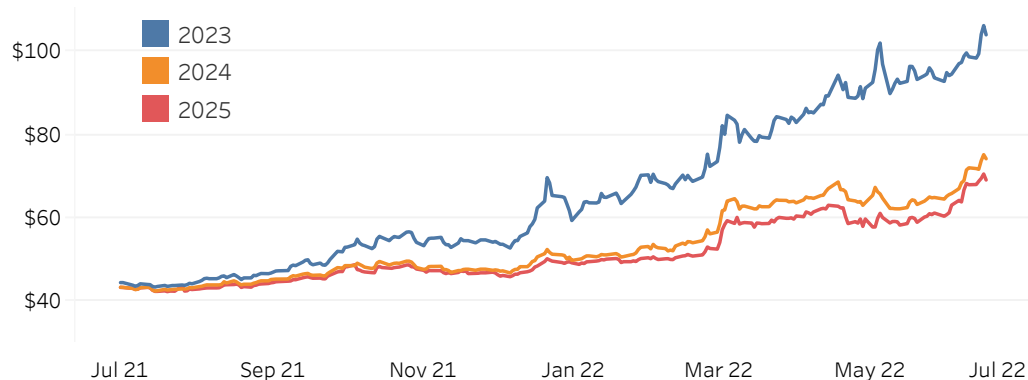
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## NEW ENGLAND ELECTRICITY OVERVIEW

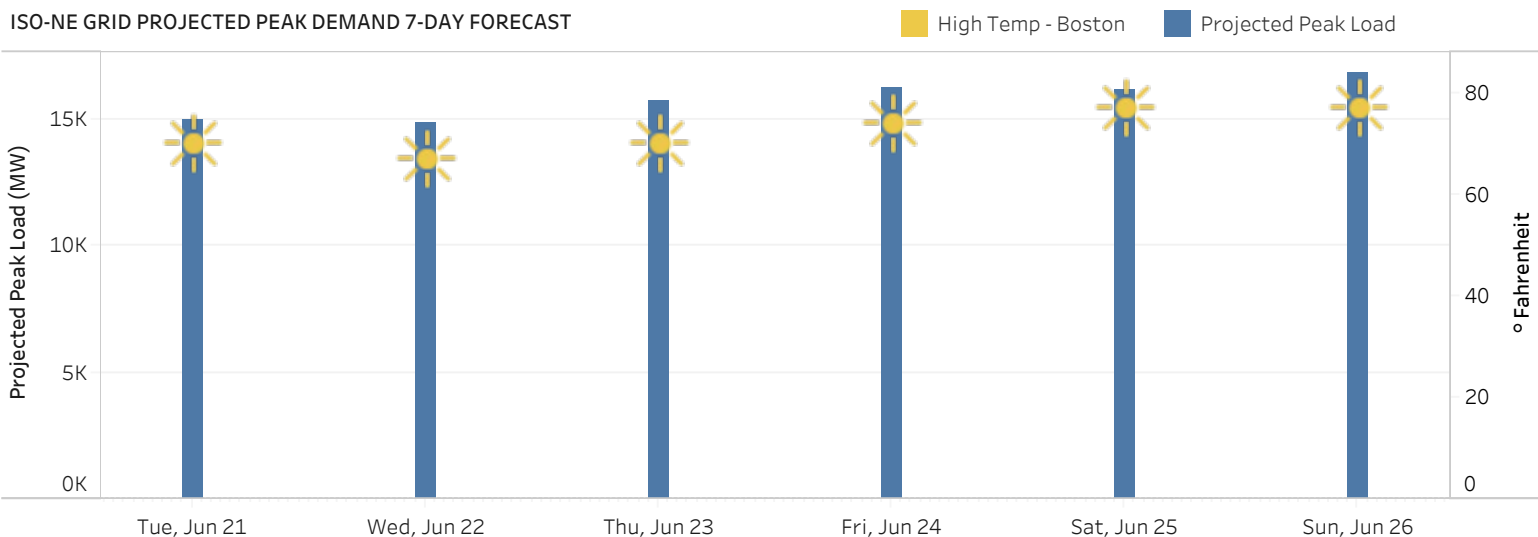
NEPOOL FUTURES MARKET CALENDAR STRIP PRICING -\$/MWh



The NEPOOL 12-month strip rose 3.4%, settling at \$125.25/MWh on Friday. Calendar strips continued their run, with the 2023 strip climbing over \$5/MWh week-over-week. The 2023 strip rose 5.4%, settling at \$104.14/MWh, the 2024 strip rose 3.0%, settling at \$74.25/MWh, and the 2025 strip rose 1.7%, settling at \$69.13/MWh. While Friday saw a slight dip from mid-week record highs, New England electricity prices are unlikely to fall looking ahead to the anticipated high summer cooling demand and liquefied natural gas competition during the upcoming winter.

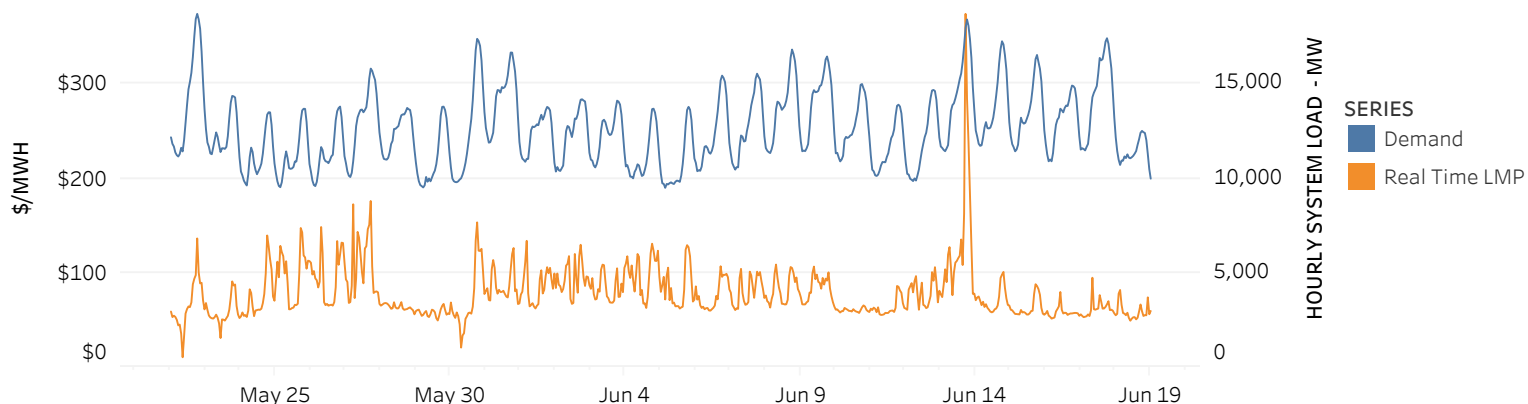
## NEW ENGLAND 7-DAY DEMAND FORECAST

ISO-NE GRID PROJECTED PEAK DEMAND 7-DAY FORECAST



## NEW ENGLAND GRID FUNDAMENTALS

ISO NE HOURLY GRID DEMAND & REAL TIME LMP RATE



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