



# Competitive Energy Services Weekly Market Summary

May 11 - 15, 2020

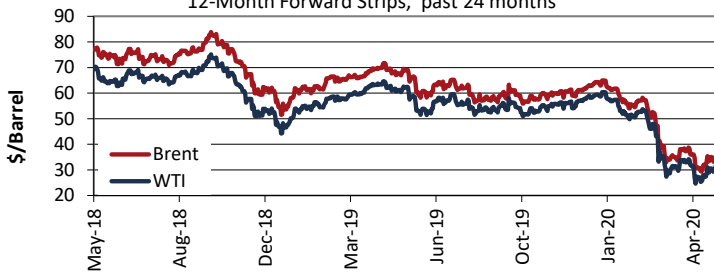
## Synopsis of Last Week's Energy Markets

Crude oil prices on Friday were at \$29.43/barrel, a 25% increase from prices a week prior of \$23.55/barrel. This continues the gains seen over the past few weeks, following unexpected stock draws and increased demand for gasoline as stay-at-home orders are slowly lifted. June natural gas futures settled at \$1.646/MMBtu on NYMEX Friday, down 9.7% week-over-week. Storage injections were 103 Bcf for the week of May 8th, raising total working gas in storage to 2,422 bcf, 20% above the 5-year average.

## Oil Market

### Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

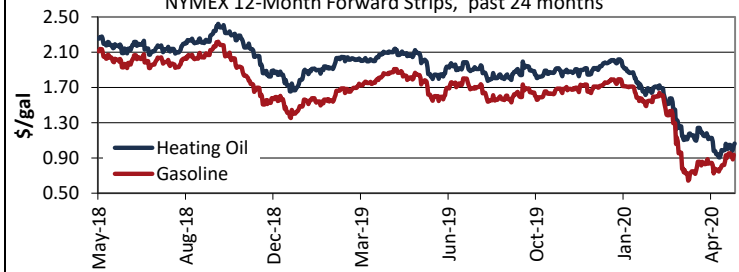


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$31.65	\$30.57	\$75.39	\$23.66
date	5/15/20	5/8/20	10/3/18	4/21/20
change from last close		3.5%	-58.0%	34%

US STORAGE (in million bbls)	crude oil
domestic stocks as of 5/8/20	531
gain / loss from previous week	-0.7
comparison to historic range	outside

### Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

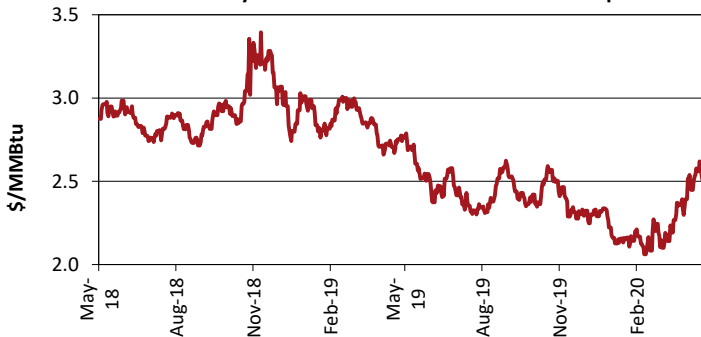


NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.05	\$1.05	\$2.43	\$0.90
date	5/15/20	5/8/20	10/3/18	4/28/20
change from last close		0.8%	-57%	17%

US STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 5/8/20	155	0	253
gain / loss from previous week	3.5	0.0	-3.5
comparison to historic range	within	within	within

## Natural Gas Market

### NYMEX Henry Hub Futures: 12 Month Forward Strip

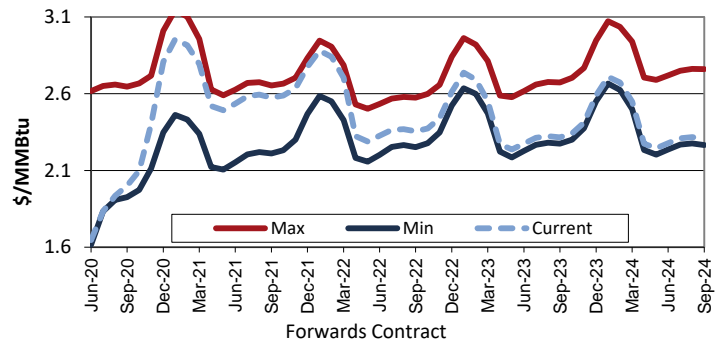


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.37	\$2.49	\$3.43	\$2.05
date	5/15/20	5/8/20	11/14/18	2/28/20
change from last close		-5.0%	-31%	15%

CES SCORE	
12 month	56
18 month	43
24 month	41
36 month	51

The Score provides a measure of how current prices compare to their 52-week range. A score close to 0 indicates that current prices are close to their 52-week highs; a score close to 100 indicates that current prices are close to their 52-week lows.

### NYMEX Natural Gas Forwards vs. 1 Year Range



FORWARDS	12 month	18 month	24 month	36 month
strip (\$/MMBtu)	\$2.37	\$2.44	\$2.49	\$2.47

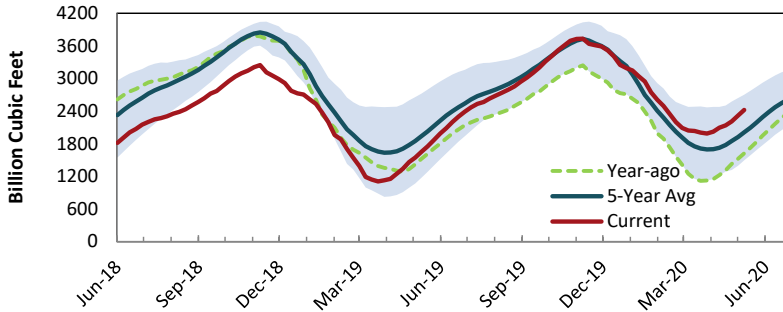
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 months.



The information set forth herein is a compilation of public and internal information and is presented solely for the convenience of CES customers. CES does not make any representation or warranties, express or implied, with respect to the accuracy or completeness of the information contained herein. CES shall not have any liability to any person or entity resulting from the use of this information in

### Natural Gas Storage

Working Gas in Underground Storage Compared With 5-Year Range



This chart shows the amount of natural gas in storage at each point in time (red line) compared to the highest, lowest, and average amounts in the past 5 calendar years.

EIA Storage Data	date	Bcf	+/-
Previous Stock Level	5/1/20	2,319	
Most Recent Stock Level	5/8/20	2,422	
Year-ago Stock Level		1,623	49.2%
5-Year Average Stock Level		2,009	
Most Recent Net Change	5/8/20	103	
Year-Ago Net Change		100	
5-Year Average Net Change		85	

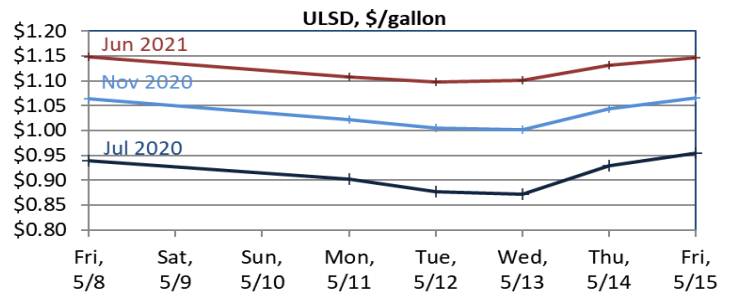
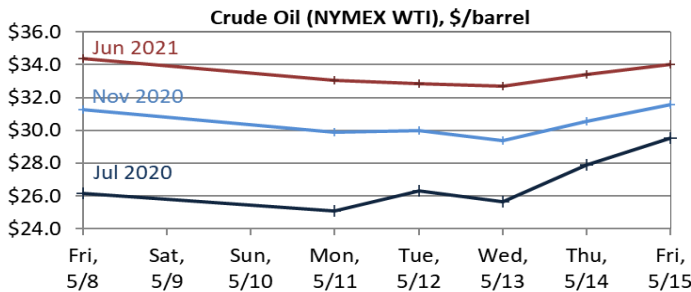
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

### Market Assessment

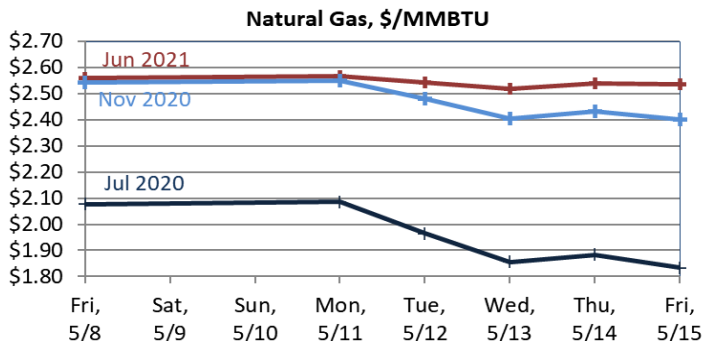
NYMEX Futures Summary Statistics

	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Winter Avg (Nov20-Mar21)
Crude oil	May-20	4/21/20	\$10.01	Jun-20	\$24.74	May-21	\$34.07	Jun-20	\$24.74	\$33.71
Heating oil	May-20	4/30/20	\$0.73	Jun-20	\$0.90	May-21	\$1.14	Jun-20	\$0.90	\$1.13
Natural gas	May-20	4/28/20	\$1.79	Jun-20	\$1.82	Jan-21	\$3.02	Jun-20	\$1.82	\$2.69

NYMEX End-of-Day Settlements



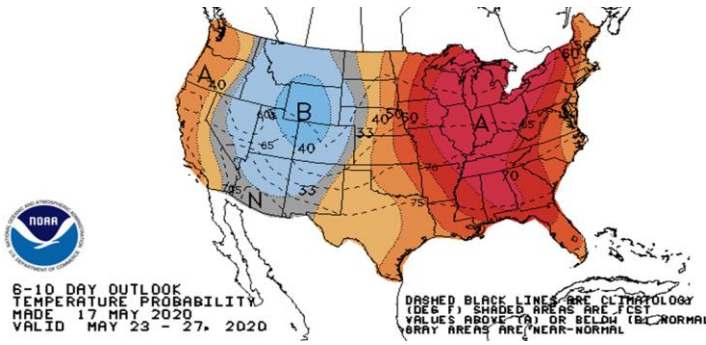
Crude oil prices on Friday were at \$29.43/barrel, a 25% increase from prices a week prior of \$23.55/barrel. Investors are optimistic as global oil supply is set to drop an additional 12% (12M bpd) this month compared to April as a coalition of oil producing countries, led by Saudi Arabia and Russia, commit to further production cuts which could last through June. As some governments are slowly lifting stay-at-home orders, demand for products such as finished motor gasoline is on the rise (up 27% from the beginning of the month). This past week, U.S. commercial crude oil inventories fell by 700,000 barrels. Strategists believe that gasoline could lead the eventual rise in demand as lockdowns are lifted and commuters remain reluctant to use public transportation. The forthcoming impacts of Covid-19 remain unknown, as increased commercial activity comes with the risk of continued spread of the virus. China and South Korea have seen a resurgence in cases, with daily reported infections back up to numbers not seen since mid-April.



June natural gas futures fell 9.7% last week, settling at \$1.646/MMBtu on NYMEX Friday. Futures suffered their largest weekly loss since late-March as traders considered the impacts of a weather and lockdown driven drop in demand against cuts to production. Gas production was averaging ~85.9 bcf/d as of Friday, -5.6% from April's average of ~91 bcf/d. Associated gas produced with oil declined as oil producers continue to curb production. Concern regarding LNG demand is mounting as export terminals expect to operate at lower utilization rates this summer. Domestic demand is expected to rebound as parts of the US initiate plans to reopen businesses.

The National Weather Service near-term forecast calls for above average temperatures throughout the Eastern and Southern U.S and mild below average temperatures in the West. The CES Market Score on page 1 increased from the previous week. Clients with electricity or natural gas contracts expiring in 2020 should consult with a CES representative for customized guidance.

**National Weather Service Forecast**



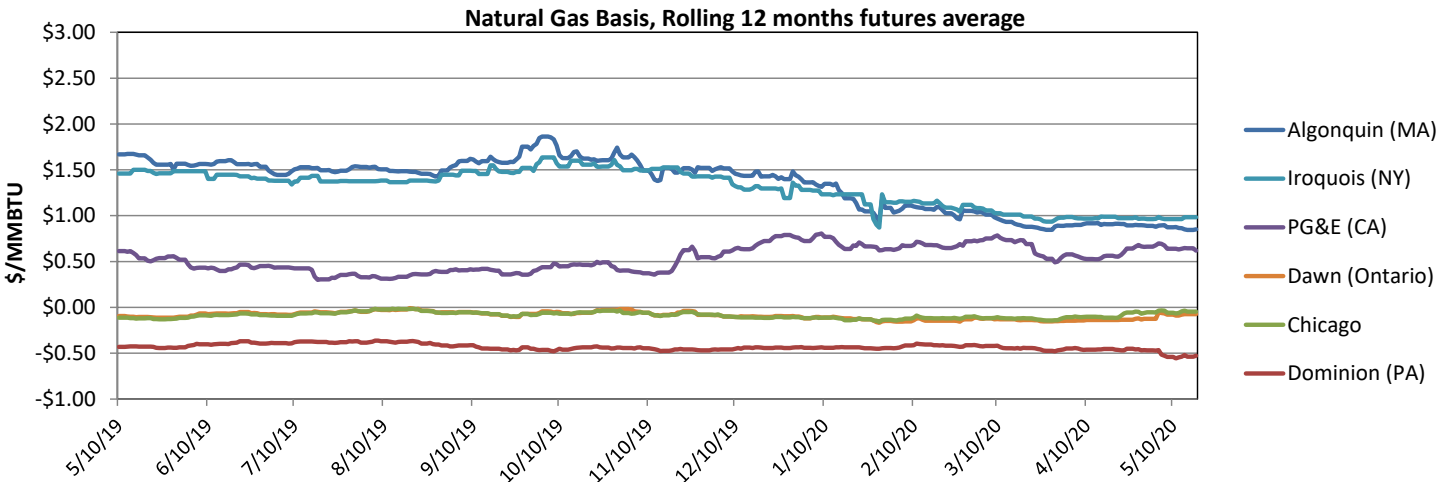
**6 - 10 Day Forecast for May 23 - 27**

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, white 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.

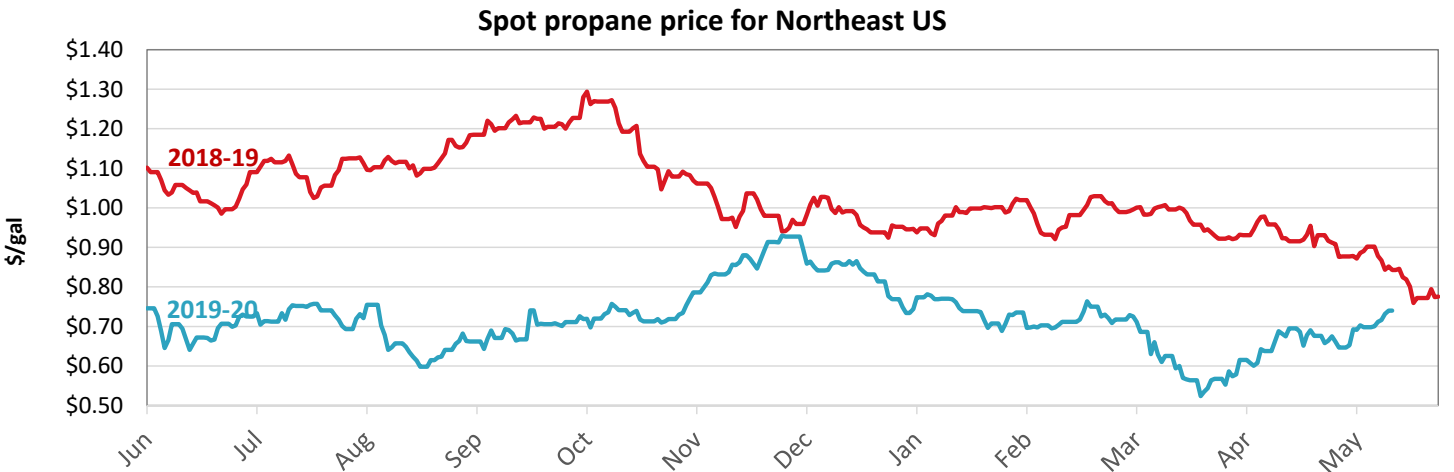
Source: Chart from the National Weather Service Climate Prediction Center [www.cpc.ncep.noaa.gov](http://www.cpc.ncep.noaa.gov)

**Natural Gas Basis Futures**

Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated by adding the basis price for the appropriate liquidity point to the NYMEX futures contract. Basis prices can be negative (indicating that natural gas at a liquidity point is cheaper than at the Henry Hub) or positive (indicating that natural gas at a different liquidity point is more expensive than at the Henry Hub). Basis prices are a key component of regional electricity and natural gas costs.



**Propane**



**Spot Prices**

		<b>New England ISO Real Time Power Pricing By Zone (\$/MWh)</b>							<b>Avg</b>	
		5/11/20	5/12/20	5/13/20	5/14/20	5/15/20	5/16/20	5/17/20		
Power (\$/MWh)	Maine RT On Pk	15	12	11	12	12			12	
	Maine RT Off Pk	8	12	12	11	12	16	13	12	
	NH RT On Pk	16	13	13	16	13			14	
	NH RT Off Pk	9	13	13	12	12	16	14	13	
	Vermont RT On Pk	15	12	12	15	12			13	
	Vermont RT Off Pk	9	12	13	12	12	16	13	12	
	Connecticut RT On Pk	15	13	13	16	12			14	
	Connecticut RT Off Pk	9	13	13	12	12	16	14	13	
	Rhode Island RT On Pk	16	13	13	16	13			14	
	Rhode Island RT Off Pk	9	13	13	12	12	16	14	13	
	NE Mass RT On Pk	16	13	13	16	13			14	
	NE Mass RT Off Pk	9	13	13	12	12	16	14	13	
	SE Mass RT On Pk	16	13	13	16	13			14	
	SE Mass RT Off Pk	9	13	13	12	12	16	14	13	
	WC Mass RT On Pk	16	13	13	16	13			14	
	WC Mass RT Off Pk	9	13	13	12	12	16	14	13	
			<b>New York ISO Real Time Power Pricing By Zone (\$/MWh)</b>							<b>Avg</b>
Power (\$/MWh)	Capital RT On Pk	15	14	14	16	13			14	
	Capital RT Off Pk	10	12	13	13	11	13	11	12	
	Central RT On Pk	14	12	13	15	12			13	
	Central RT Off Pk	10	10	13	12	11	12	11	11	
	Hudson RT On Pk	15	13	14	16	13			14	
	Hudson RT Off Pk	10	12	13	13	12	13	12	12	
	Mohawk RT On Pk	14	11	12	15	12			13	
	Mohawk RT Off Pk	10	10	12	12	11	12	11	11	
	Milwood RT On Pk	15	14	14	16	13			14	
	Milwood RT Off Pk	10	12	13	13	12	13	12	12	
	NYC RT On Pk	15	14	14	16	13			14	
	NYC RT Off Pk	11	12	13	13	12	13	12	12	
			<b>PJM Real Time Power Pricing By Zone (\$/MWh)</b>							<b>Avg</b>
	Power (\$/MWh)	Eastern Hub On Pk	17	14	14	14	14			14
Eastern Hub Off Pk		15	14	15	10	10	15	15	14	
Western Hub On Pk		30	18	16	14	14			19	
Western Hub Off Pk		19	15	15	11	11	15	15	14	
PPL Zone On Pk		17	15	14	14	14			15	
PPL Zone Off Pk		15	15	15	10	10	14	14	14	
AEP RT On Pk		25	21	16	16	16			19	
AEP RT Off Pk		16	16	15	11	11	15	15	14	
Chicago RT On Pk		23	20	16	15	15			18	
Chicago RT Off Pk		12	12	15	10	10	14	14	13	
New Jersey Hub On Pk		17	14	14	14	14			15	
New Jersey Hub Off Pk		15	14	15	10	10	15	15	14	
		<b>California ISO Real Time Power Pricing (\$/MWh)</b>							<b>Avg</b>	
Natural Gas \$/MMBtu	SoCal Edison RT On Pk	19	20	18	15	12			17	
	SoCal Edison RT Off Pk	19	24	21	22	19	21	17	20	
			5/11/20	5/12/20	5/13/20	5/14/20	5/15/20	5/16/20	5/17/20	<b>Avg</b>
	Henry Hub, LA	1.71	1.62	1.58	1.60	1.66			1.63	
	TZ6, MA	1.58	1.51	1.29	1.26	1.27			1.38	
	Algonquin, MA	1.75		1.20	1.08				1.34	
	Chicago Hub, IL	1.74	1.63	1.53	1.51	1.54			1.59	
	New York, NY	1.49	1.40	1.23	1.00	1.17			1.26	
	Dominion South, PA	1.39	1.35	1.18	1.01	1.17			1.22	
Opal Hub, WY	1.68	1.55	1.47	1.45				1.54		
PG&E Citygate, CA	2.61	2.60	2.50	2.43	2.43			2.51		