



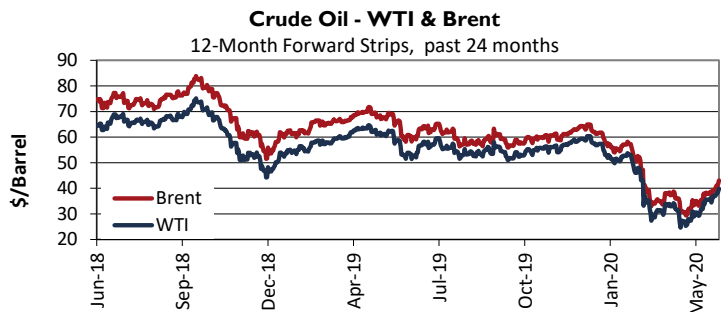
# Competitive Energy Services Weekly Market Summary

June 1 - 5, 2020

## Synopsis of Last Week's Energy Markets

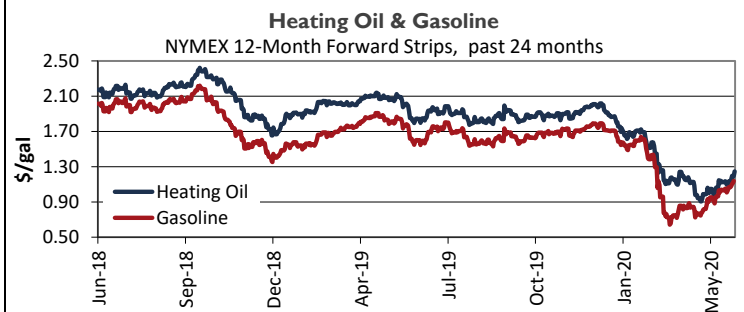
Crude oil prices ended Friday \$39.55/barrel, an 11% increase from the week prior. Prices rose after tensions between OPEC and Iraq eased later in the week. Natural gas July futures ended the week trading at \$1.80/MMBtu, down 3% week-over-week. Storage injections exceeded 102 bcf for the week of May 29th, raising total working gas in storage to 2,714 Bcf, 18% above the 5-year average.

## Oil Market



NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$40.44	\$36.89	\$75.39	\$23.66
date	6/5/20	5/29/20	10/3/18	4/21/20
change from last close		9.6%	-46.4%	71%

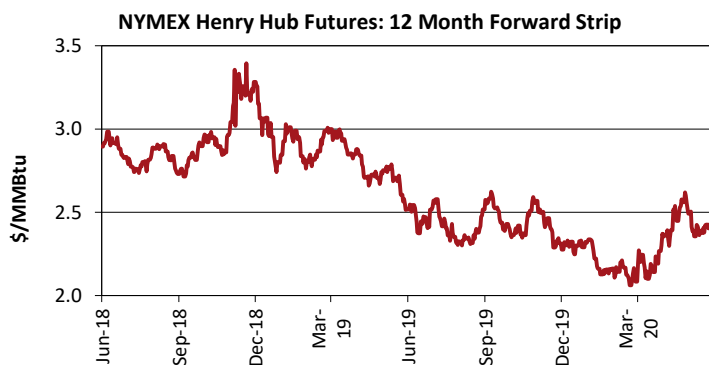
US STORAGE (in million bbls)	crude oil
domestic stocks as of	5/29/20
	532
gain / loss from previous week	-2.1
comparison to historic range	outside



NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.26	\$1.13	\$2.43	\$0.90
date	6/5/20	5/29/20	10/3/18	4/28/20
change from last close		11.1%	-48%	40%

US STORAGE (in million bbls)	distillate	propane	gasoline	
domestic stocks as of	5/29/20	174	0	258
gain / loss from previous week	9.9	0.0	2.8	
comparison to historic range	within	within	within	

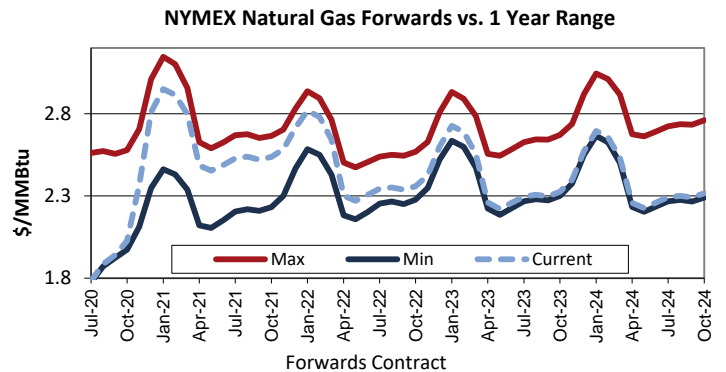
## Natural Gas Market



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.41	\$2.43	\$3.43	\$2.05
date	6/5/20	5/29/20	11/14/18	2/28/20
change from last close		-0.7%	-30%	17%

CES SCORE	
12 month	53
18 month	46
24 month	47
36 month	56

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.



FORWARDS	12 month	18 month	24 month	36 month
strip (\$/MMBtu)	\$2.41	\$2.46	\$2.48	\$2.46

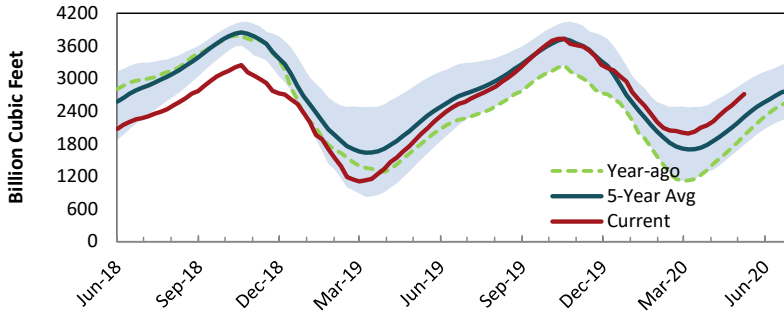
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12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



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### 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	5/22/20	2,612	
Most Recent Stock Level	5/29/20	2,714	
Year-ago Stock Level		1,952	39.0%
5-Year Average Stock Level		2,292	
Most Recent Net Change	5/29/20	102	
Year-Ago Net Change		118	
5-Year Average Net Change		103	

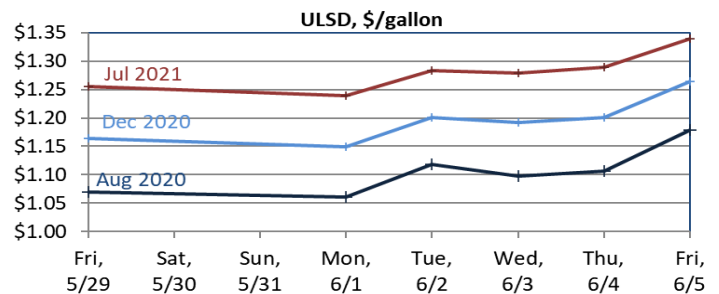
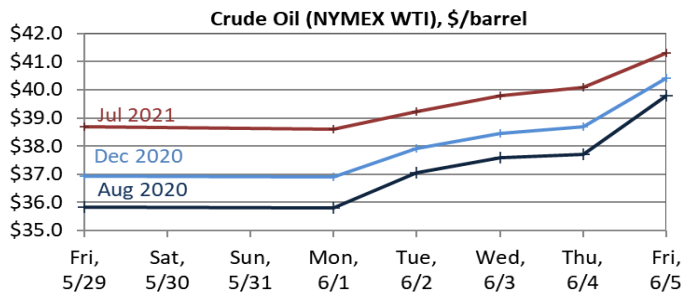
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

### Market Assessment

NYMEX Futures Summary Statistics

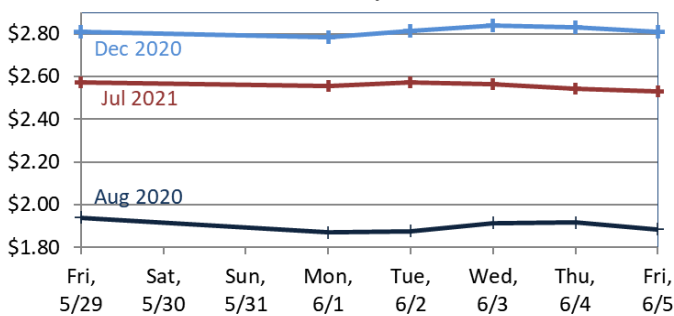
	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Winter Avg (Nov20-Mar21)
Crude oil	Jun-20	5/19/20	\$32.50	Jul-20	\$39.55	Jun-21	\$41.17	Jul-20	\$39.55	\$41.03
Heating oil	Jun-20	5/29/20	\$0.96	Jul-20	\$1.15	Jun-21	\$1.32	Jul-20	\$1.15	\$1.32
Natural gas	Jun-20	5/27/20	\$1.72	Jul-20	\$1.78	Jan-21	\$2.95	Jul-20	\$1.78	\$2.55

NYMEX End-of-Day Settlements



Crude oil prices rose 11% last week as tensions between OPEC and Iraq eased later in the week. In May the Iraqi government agreed to cut production by around 25%, in line with other OPEC+ members, but so far has not managed to reach 10% cuts. They were facing further compensatory cuts to make up for the failure going forward. Later last week, however, OPEC and Iran announced that they had reached an agreement to extend the window for cuts and are set to confirm the terms over the weekend. Overall compliance to OPEC+ cuts stands at 89%. Domestically, crude oil stocks were down 2.1 barrels from last week, following a previous spike due to Saudi imports. Gasoline demand remains flimsy, as gasoline stockpiles rose slightly. US production continues to fall.

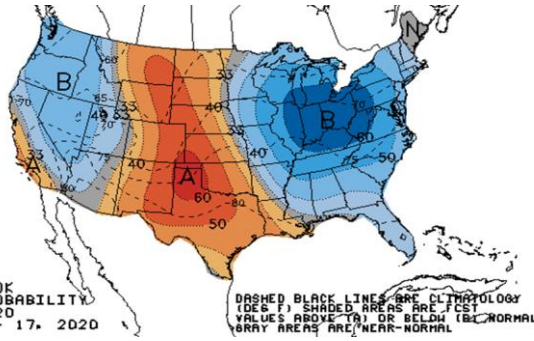
Natural Gas, \$/MMBTU



Natural gas futures sank slightly this week as COVID-19-driven lockdowns continue to depress global fuel demand. July futures fell 3% this week, settling at \$1.80/MMBtu on the NYMEX on Friday. Summer heat and falling production have provided upward market pressure, but the U.S. storage surplus continues to suppress prices: injections to storage totaled 102 Bcf last week, raising total gas in storage to 2,714 Bcf or 18% above typical levels. Cancelled LNG cargos continue to rattle the export market as flows to LNG export plants rebounded 11% from the one-year low reached Monday. Looking forward, the market is bracing for tropical storm Cristobal, which is expected to make landfall early next week.

The National Weather Service near-term forecast calls for above average temperatures throughout the Midwestern U.S and below average temperatures in the East and West. The CES Market Score on page 1 decreased 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**



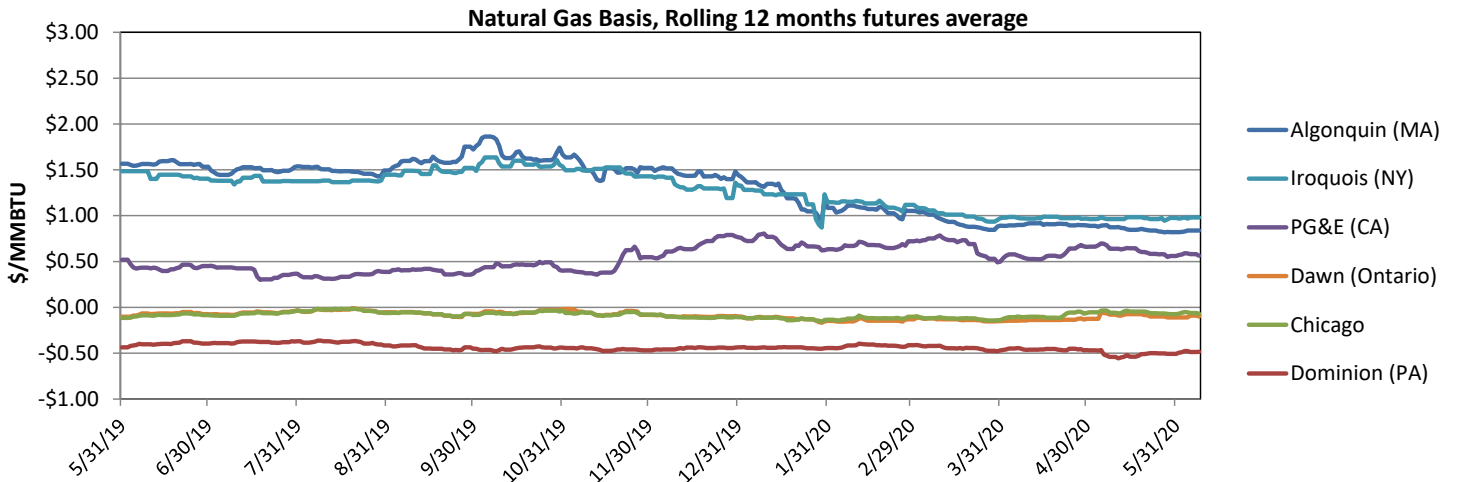
**6 - 10 Day Forecast for Jun 13 - 17**

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.

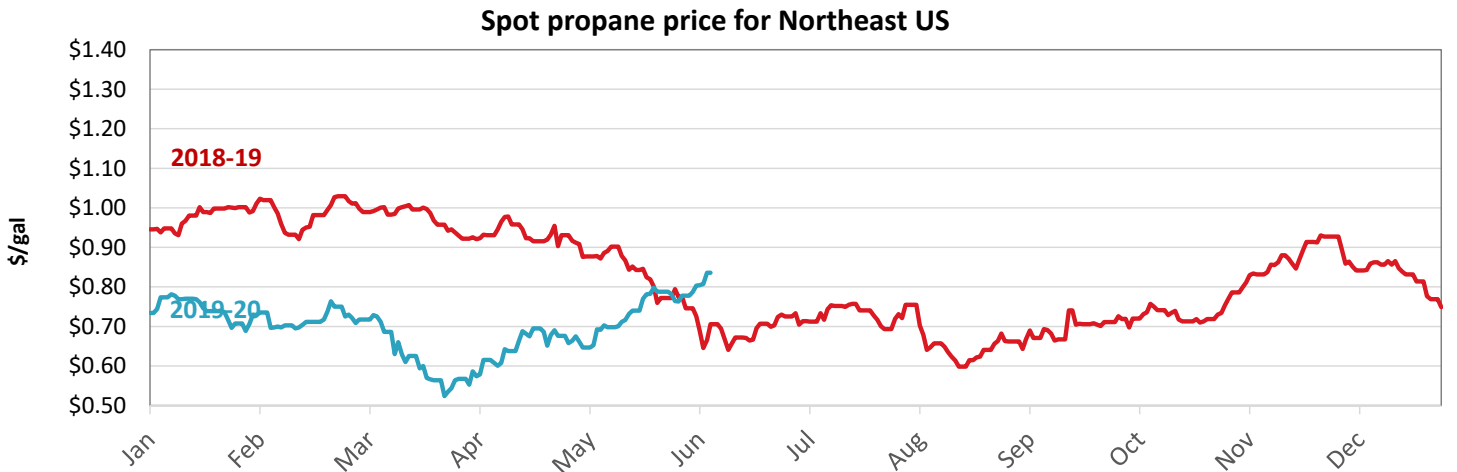
Source: Chart from the National Weather Service Climate Prediction Center [www.cpc.ncep.noaa.gov](http://www.cpc.ncep.noaa.gov)

**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>								
		6/1/20	6/2/20	6/3/20	6/4/20	6/5/20	6/6/20	6/7/20	<b>Avg</b>	
	Maine RT On Pk	20	16	17	21	17			18	
	Maine RT Off Pk	15	14	14	14	17	31	19	18	
	NH RT On Pk	25	16	17	22	17			19	
	NH RT Off Pk	16	14	14	14	17	31	19	18	
	Vermont RT On Pk	25	16	17	22	17			19	
	Vermont RT Off Pk	15	15	14	14	17	30	18	18	
	Connecticut RT On Pk	24	16	17	22	17			19	
	Connecticut RT Off Pk	15	14	14	14	17	30	18	18	
	Rhode Island RT On Pk	25	16	17	22	17			19	
	Rhode Island RT Off Pk	15	14	14	14	17	31	18	18	
	NE Mass RT On Pk	25	16	17	22	17			20	
	NE Mass RT Off Pk	16	15	15	15	17	32	19	18	
	SE Mass RT On Pk	25	16	17	22	17			20	
	SE Mass RT Off Pk	16	15	15	15	17	31	19	18	
	WC Mass RT On Pk	25	16	17	22	17			19	
	WC Mass RT Off Pk	16	14	14	14	17	31	19	18	
		<b>New York ISO Real Time Power Pricing By Zone (\$/MWh)</b>							<b>Avg</b>	
Power (\$/MWh)	Capital RT On Pk	15	16	14	20	19			17	
	Capital RT Off Pk	19	15	13	11	14	28	17	17	
	Central RT On Pk	13	15	14	19	18			16	
	Central RT Off Pk	3	8	11	8	13	24	12	11	
	Hudson RT On Pk	15	16	15	20	18			17	
	Hudson RT Off Pk	14	13	13	10	14	27	16	15	
	Mohawk RT On Pk	13	15	14	19	17			15	
	Mohawk RT Off Pk	2	8	12	8	13	23	12	11	
	Milwood RT On Pk	15	16	16	20	18			17	
	Milwood RT Off Pk	14	13	13	10	14	28	16	15	
	NYC RT On Pk	15	16	15	20	19			17	
	NYC RT Off Pk	14	13	13	10	15	27	16	16	
			<b>PJM Real Time Power Pricing By Zone (\$/MWh)</b>							<b>Avg</b>
		Eastern Hub On Pk	15	16	12	24	24			18
		Eastern Hub Off Pk	9	10	12	12	12	12	12	12
		Western Hub On Pk	15	30	33	25	25			25
	Western Hub Off Pk	9	10	12	12	12	12	12	11	
	PPL Zone On Pk	15	16	32	29	29			24	
	PPL Zone Off Pk	9	9	12	12	12	12	12	11	
	AEP RT On Pk	15	30	46	25	25			28	
	AEP RT Off Pk	9	10	13	13	13	13	13	12	
	Chicago RT On Pk	13	36	44	25	25			29	
	Chicago RT Off Pk	(1)	7	12	12	12	12	12	10	
	New Jersey Hub On Pk	15	17	16	24	24			19	
	New Jersey Hub Off Pk	9	10	12	12	12	12	12	11	
		<b>California ISO Real Time Power Pricing (\$/MWh)</b>							<b>Avg</b>	
	SoCal Edison RT On Pk	38	82	42	23	19			41	
	SoCal Edison RT Off Pk	85	30	40	26	22	18	4	32	
		6/1/20	6/2/20	6/3/20	6/4/20	6/5/20	6/6/20	6/7/20	<b>Avg</b>	
Natural Gas \$/MMBtu	Henry Hub, LA	1.52	1.58	1.84	1.70	1.80			1.69	
	TZ6, MA	1.39	1.63	1.83	1.66	1.45			1.59	
	Algonquin, MA	1.55	1.80	1.70	1.68	1.40			1.63	
	Chicago Hub, IL	1.53	1.63	1.76	1.70	1.59			1.64	
	New York, NY	1.35	1.48	1.59	1.48	1.37			1.45	
	Dominion South, PA	1.32	1.44	1.46	1.40	1.30			1.38	
	Opal Hub, WY	1.48		1.72		1.53			1.58	
	PG&E Citygate, CA	2.47	2.58	2.65	2.56	2.46			2.54	