



# Competitive Energy Services Weekly Market Summary

June 15 - 19, 2020

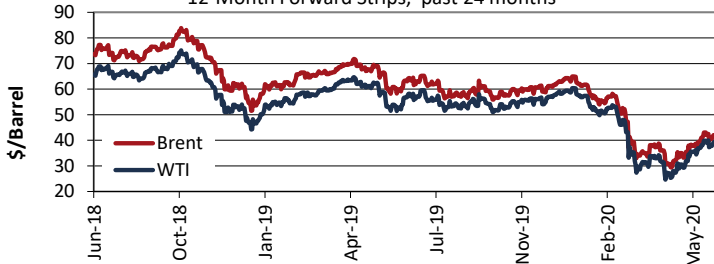
## Synopsis of Last Week's Energy Markets

Crude oil prices ended Friday \$39.84/barrel, a 9.8% increase from the week prior. Natural gas July futures ended the week at \$1.67/MMBtu, down 3% week-over week. Storage climbed 85 Bcf last week, increasing total working gas in storage to 2,892 Bcf, 17% above the 5-year average.

## Oil Market

### Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

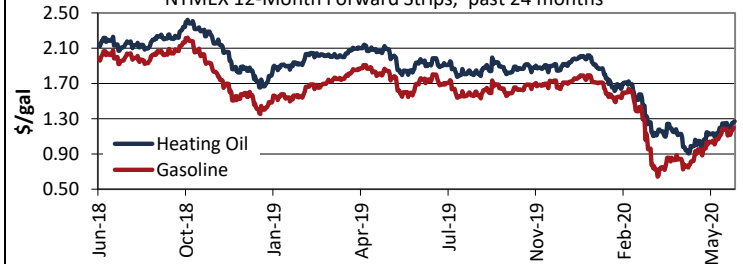


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$40.23	\$37.76	\$75.39	\$23.66
date	6/19/20	6/12/20	10/3/18	4/21/20
change from last close		6.5%	-46.6%	70%

US STORAGE (in million bbls)	crude oil
domestic stocks as of	6/12/20
	539
gain / loss from previous week	1.2
comparison to historic range	outside

### Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

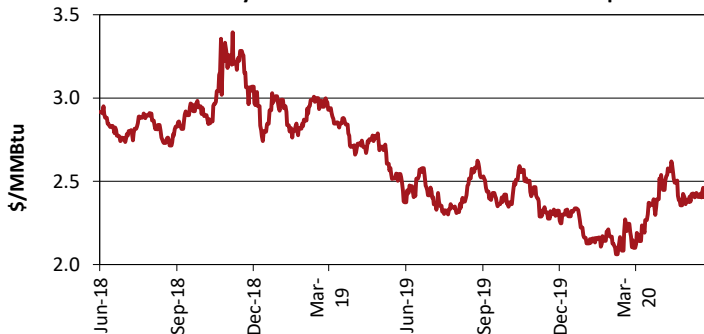


NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.27	\$1.20	\$2.43	\$0.90
date	6/19/20	6/12/20	10/3/18	4/28/20
change from last close		6.0%	-48%	42%

US STORAGE (in million bbls)	distillate	propane	gasoline	
domestic stocks as of	6/12/20	174	0	257
gain / loss from previous week	-1.4	0.0	-1.7	
comparison to historic range	within	within	within	

## Natural Gas Market

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

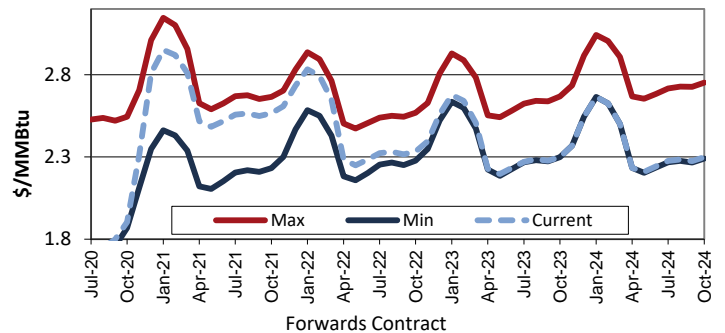


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.37	\$2.40	\$3.43	\$2.05
date	6/19/20	6/12/20	11/14/18	2/28/20
change from last close		-1.4%	-31%	16%

CES SCORE	
12 month	52
18 month	43
24 month	45
36 month	58

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	\$2.45	\$2.46	\$2.44

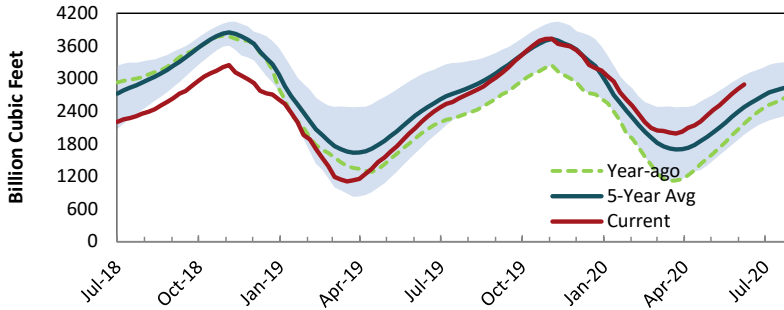
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 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	6/5/20	2,807	
Most Recent Stock Level	6/12/20	2,892	
Year-ago Stock Level		2,170	33.3%
5-Year Average Stock Level		2,473	
Most Recent Net Change	6/12/20	85	
Year-Ago Net Change		111	
5-Year Average Net Change		87	

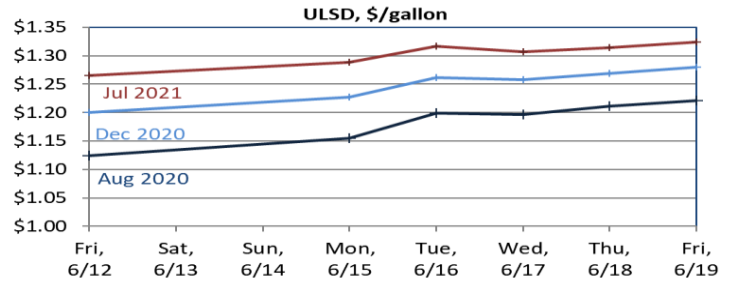
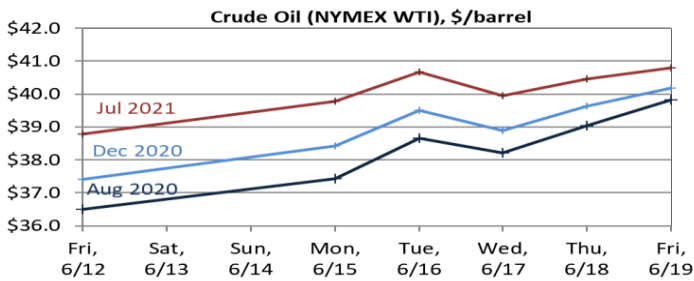
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

### Market Assessment

NYMEX Futures Summary Statistics

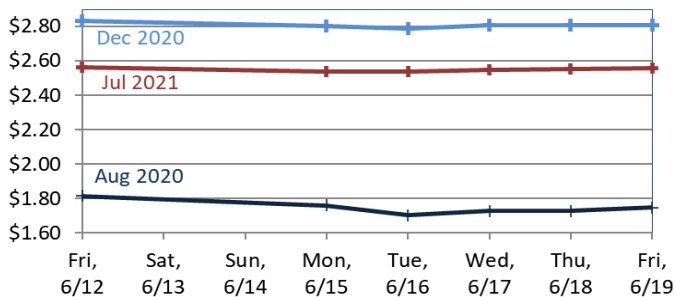
	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Winter Avg (Nov20-Mar21)
Crude oil	Jun-20	5/19/20	\$32.50	Jul-20	\$39.75	Jun-21	\$40.71	Jul-20	\$39.75	\$40.61
Heating oil	Jun-20	5/29/20	\$0.96	Jul-20	\$1.21	Jun-21	\$1.31	Jul-20	\$1.21	\$1.31
Natural gas	Jun-20	5/27/20	\$1.72	Jul-20	\$1.67	Jan-21	\$2.95	Jul-20	\$1.67	\$2.58

NYMEX End-of-Day Settlements



Crude oil prices ended Friday \$39.84/barrel, a 9.8% increase from the week prior. Crude prices increased following record high Chinese imports, last month alone saw demand for 11.3 million barrels. It is difficult to know how much storage capacity is available, so it is unclear how long China will be able to sustain this demand. Additionally, there are reports of new corona virus outbreaks in large cities including Beijing, just as businesses had begun to reopen. Gasoline demand remains stagnant, falling 30,000 barrels from last week. Demand is still down 21% from this time last year. Fears of a second wave of coronavirus throughout the American south and west are slowing reopening. Rising crude prices could mean some U.S. shale production starts to come back online after a rapid string of closures this year, which could cause further supply imbalances, as demand has yet to come bounding back.

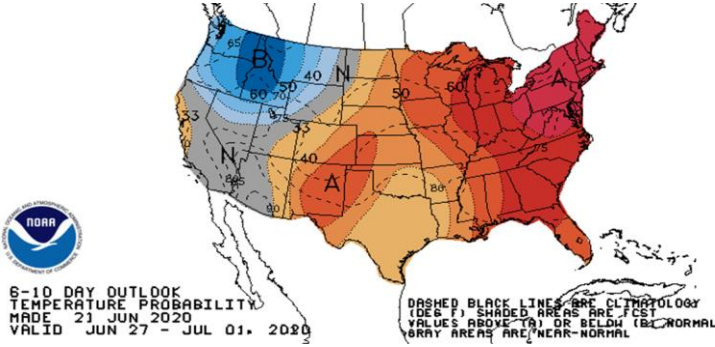
Natural Gas, \$/MMBTU



Natural gas futures sank this week as traders weighed a COVID-driven lull in demand against a steadily declining inventory surplus and forecasts for heat that could boost electricity demand across the US. July futures fell 3% last week to \$1.67/MMBtu on the NYMEX on Friday. Injections to storage totaled 85 Bcf last week, raising total gas in storage to 2,892 Bcf or 17% above typical levels. While production remains high compared to past years, the US rig count continues to decline which could reduce gas production from crude oil wells. LNG exports have fallen 40% from the May average to 3.9 Bcf/d as of last Thursday.

The National Weather Service near-term forecast calls for above average temperatures throughout the Eastern and Midwestern U.S. and below average temperature in the Northwest. 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**



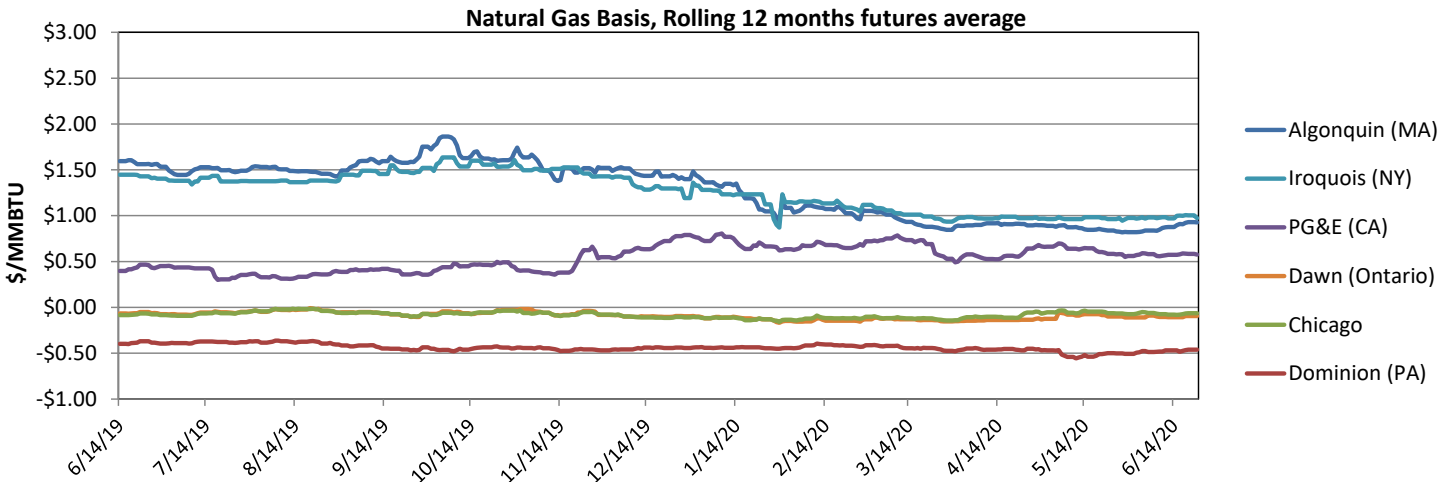
**6 - 10 Day Forecast for Jun 27 - Jul 1**

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)

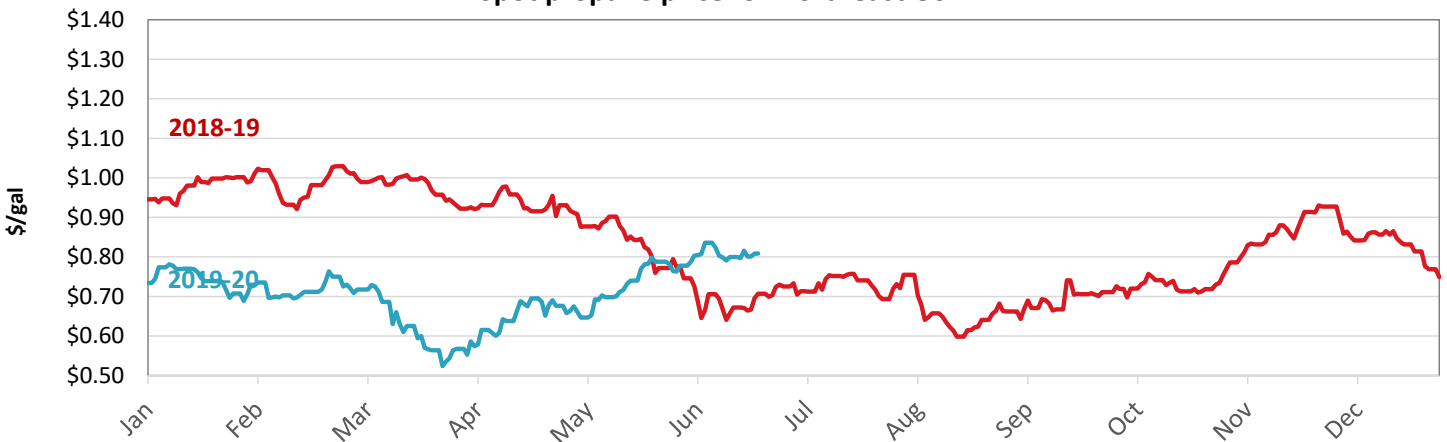
**Natural Gas Basis Futures**

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 propane price for Northeast US**



**Spot Prices**

		<b>New England ISO Real Time Power Pricing By Zone (\$/MWh)</b>								
		6/15/20	6/16/20	6/17/20	6/18/20	6/19/20	6/20/20	6/21/20	<b>Avg</b>	
<b>Power (\$/MWh)</b>	Maine RT On Pk	22	17	20	35	28			24	
	Maine RT Off Pk	15	14	13	13	15	25	34	19	
	NH RT On Pk	22	17	20	35	28			24	
	NH RT Off Pk	15	14	13	14	15	26	35	19	
	Vermont RT On Pk	21	17	20	34	27			24	
	Vermont RT Off Pk	14	14	13	14	15	25	34	18	
	Connecticut RT On Pk	21	17	20	33	26			24	
	Connecticut RT Off Pk	14	14	13	14	14	25	33	18	
	Rhode Island RT On Pk	21	17	20	34	27			24	
	Rhode Island RT Off Pk	14	14	13	14	15	25	34	18	
	NE Mass RT On Pk	22	18	21	35	28			24	
	NE Mass RT Off Pk	15	14	13	14	15	26	35	19	
	SE Mass RT On Pk	22	17	20	34	27			24	
	SE Mass RT Off Pk	15	14	13	14	15	25	34	19	
	WC Mass RT On Pk	22	17	20	34	27			24	
	WC Mass RT Off Pk	15	14	13	14	15	25	34	19	
	<b>New York ISO Real Time Power Pricing By Zone (\$/MWh)</b>									<b>Avg</b>
	Capital RT On Pk	17	16	21	21	22			19	
	Capital RT Off Pk	13	13	10	14	10	22	25	15	
	Central RT On Pk	16	16	20	20	21			19	
	Central RT Off Pk	4	12	9	13	9	21	25	13	
	Hudson RT On Pk	17	17	21	21	22			20	
	Hudson RT Off Pk	11	13	10	14	10	22	25	15	
	Mohawk RT On Pk	15	16	20	21	21			19	
	Mohawk RT Off Pk	4	12	9	13	9	22	25	14	
	Milwood RT On Pk	17	17	21	21	22			20	
	Milwood RT Off Pk	11	13	10	14	10	22	25	15	
	NYC RT On Pk	17	17	21	21	22			20	
NYC RT Off Pk	11	14	10	14	13	22	26	16		
<b>PJM Real Time Power Pricing By Zone (\$/MWh)</b>									<b>Avg</b>	
Eastern Hub On Pk	17	14	15	17	17			16		
Eastern Hub Off Pk	10	11	11	11	11	11	11	11		
Western Hub On Pk	17	19	16	23	23			20		
Western Hub Off Pk	10	11	12	11	11	11	11	11		
PPL Zone On Pk	16	16	15	21	21			18		
PPL Zone Off Pk	10	11	11	11	11	11	11	11		
AEP RT On Pk	18	24	18	23	23			22		
AEP RT Off Pk	10	12	12	11	11	11	11	11		
Chicago RT On Pk	17	24	18	23	23			21		
Chicago RT Off Pk	9	10	11	11	11	11	11	10		
New Jersey Hub On Pk	17	15	16	18	18			17		
New Jersey Hub Off Pk	10	11	11	11	11	11	11	11		
<b>California ISO Real Time Power Pricing (\$/MWh)</b>									<b>Avg</b>	
SoCal Edison RT On Pk	22	12	10	19	23			17		
SoCal Edison RT Off Pk	19	24	17	18	20	19	15	19		
<b>Natural Gas \$/MMBtu</b>		6/15/20	6/16/20	6/17/20	6/18/20	6/19/20	6/20/20	6/21/20	<b>Avg</b>	
	Henry Hub, LA	1.62	1.42	1.48	1.44	1.46			1.48	
	TZ6, MA	1.36	1.44	1.88	1.66	1.59			1.59	
	Algonquin, MA		1.45		1.60	1.64			1.56	
	Chicago Hub, IL	1.45	1.38	1.51	1.50	1.52			1.47	
	New York, NY	1.23	1.31	1.41	1.38	1.44			1.35	
	Dominion South, PA	1.10	1.22	1.32	1.31	1.35			1.26	
	Opal Hub, WY			1.38	1.40	1.40			1.39	
PG&E Citygate, CA	2.41	2.29	2.28	2.24	2.26			2.30		