



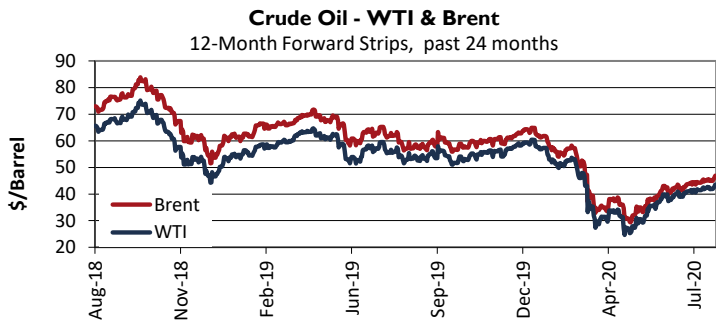
# Competitive Energy Services Weekly Market Summary

August 2 - 6, 2020

## Synopsis of Last Week's Energy Markets

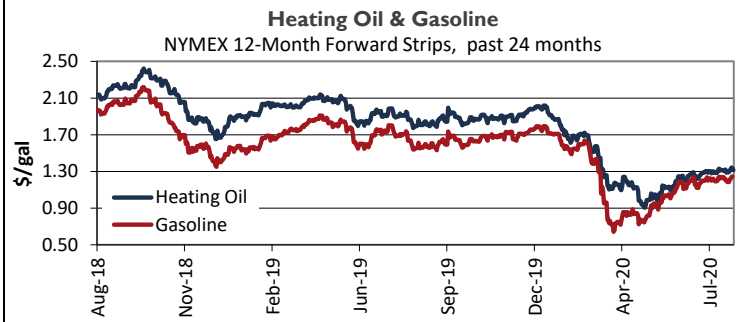
Crude oil prices rose 2.4% last week as early jumps on signs of economic recovery and reaction to a major explosion in Beirut were pared by late week indications of renewed tensions between China and the US. Gas prices surged 20% ending the week at \$2.21/MMBtu Friday. This rise was spurred by forecasts for hot weather across the US. Gas inventories held at 15% above the 5-year average on after a larger than expected storage gains.

## Oil Market



<b>NYMEX WTI</b>	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$43.47	\$41.79	\$75.39	\$23.66
date	8/6/20	7/30/20	10/3/18	4/21/20
change from last close		4.0%	-42.3%	84%

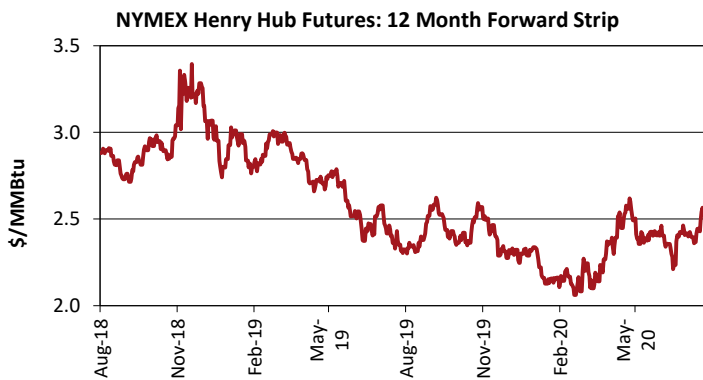
<b>US STORAGE (in million bbls)</b>	crude oil
domestic stocks as of 7/31/20	519
gain / loss from previous week	-7.4
comparison to historic range	outside



<b>NYMEX Heating Oil</b>	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.33	\$1.29	\$2.43	\$0.90
date	8/6/20	7/30/20	10/3/18	4/28/20
change from last close		3.6%	-45%	48%

<b>US STORAGE (in million bbls)</b>	distillate	propane	gasoline
domestic stocks as of 7/31/20	180	0	248
gain / loss from previous week	1.6	0.0	0.4
comparison to historic range	within	within	within

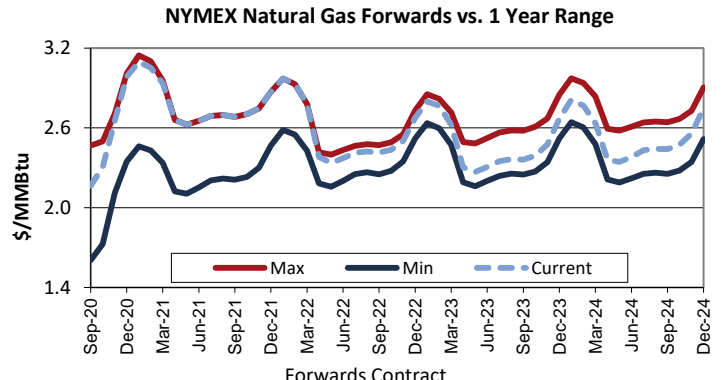
## Natural Gas Market



<b>NYMEX PRICING</b>	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.71	\$2.57	\$3.43	\$2.05
date	8/6/20	7/30/20	11/14/18	2/28/20
change from last close		5.7%	-21%	32%

<b>CES SCORE</b>	
12 month	8
18 month	5
24 month	9
36 month	20

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.



<b>FORWARDS</b>	12 month	18 month	24 month	36 month
strip (\$/MMBtu)	\$2.71	\$2.75	\$2.67	\$2.61

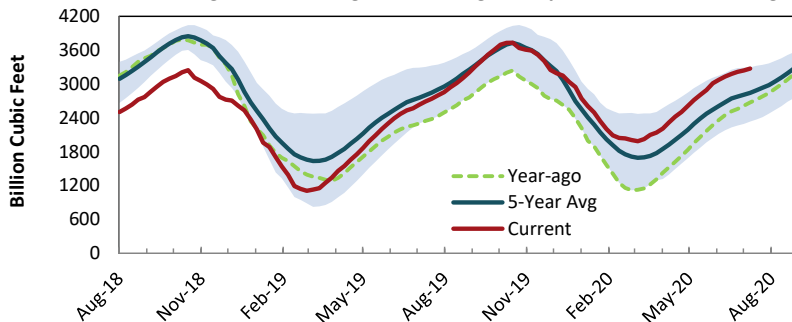
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 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	7/24/20	3,241	
Most Recent Stock Level	7/31/20	3,274	
Year-ago Stock Level		2,673	22.5%
5-Year Average Stock Level		2,845	
Most Recent Net Change	7/31/20	33	
Year-Ago Net Change		58	
5-Year Average Net Change		33	

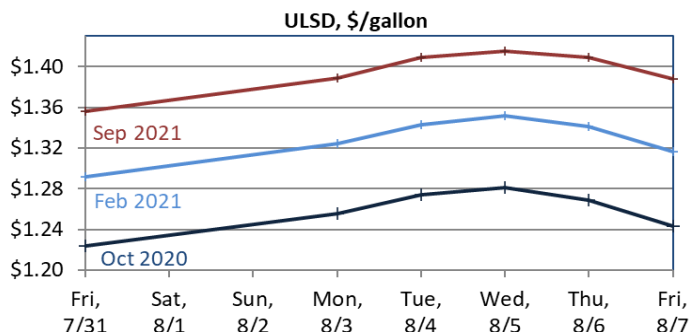
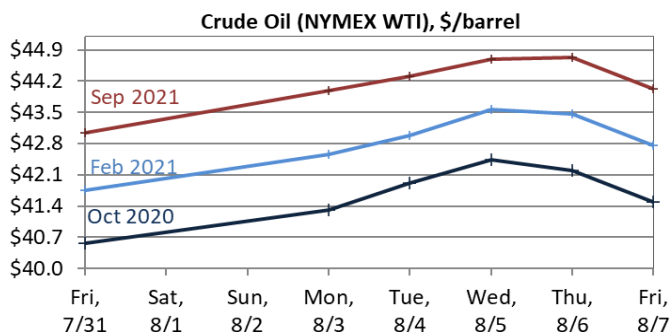
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

### Market Assessment

NYMEX Futures Summary Statistics

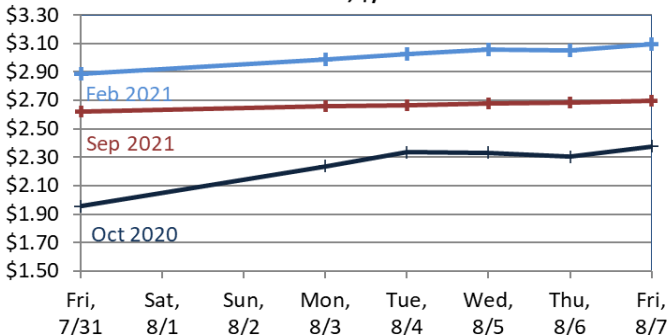
	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Winter Avg (Nov20-Mar21)
Crude oil	Aug-20	7/20/20	\$40.81	Sep-20	\$41.49	Aug-21	\$43.91	Sep-20	\$41.22	\$42.46
Heating oil	Aug-20	7/31/20	\$1.22	Sep-20	\$1.22	Aug-21	\$1.38	Sep-20	\$1.22	\$1.30
Natural gas	Aug-20	7/29/20	\$1.85	Sep-20	\$2.24	Jan-21	\$3.15	Sep-20	\$2.24	\$3.00

NYMEX End-of-Day Settlements



Crude oil prices climbed 2.4% last week, hitting a 5-month high on Wednesday. After prices rose Monday on increased factory activity, a massive explosion in Beirut on Tuesday caused prices to jump on concerns of regional instability. While the cause appears accidental, protests against governmental corruption in the aftermath may add volatility to markets as they develop further. Despite increasing factory activity across the globe in data released Monday, stagnant domestic gasoline demand, failing COVID relief talks, and new sanctions on China by the US, weighed heavily on thinking about economic recovery. A rise in product stocks offset a second significant crude draw in as many weeks. US rig counts fell to the lowest level in 15 years as drillers put the brakes on unprofitable new exploration.

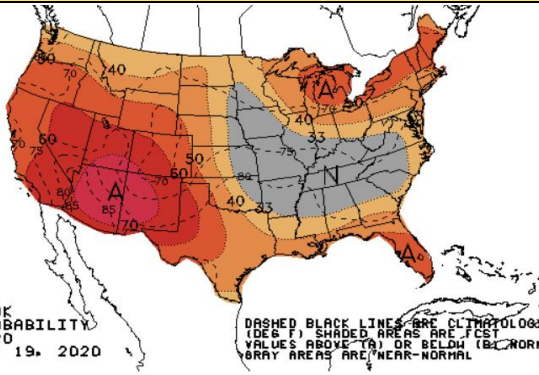
Natural Gas, \$/MMBTU



Natural gas front month prices rose 20% week-over-week to \$2.21/MMBtu last Friday, the largest weekly gain since 2014. Forecasts for hot temperatures across the US could mean increase demand for power plant fuel. Despite recent high power burn, inventories saw larger than expected gains to for the week: US gas stocks rose 33 Bcf to 3,274 Bcf as of Friday, July 31. Gas stocks continue hold steady around 15% above the 5-year average. Though the coming week traders will continue to weigh rising temperatures against the COVID-19 driven storage surplus, while decreased LNG exports are expected to put downward pressure on the market through August.

The National Weather Service near-term forecast calls for above average temperatures throughout most of the Western and Northeast U.S. and average temperatures in the Midwest. 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 Aug 15 - 19

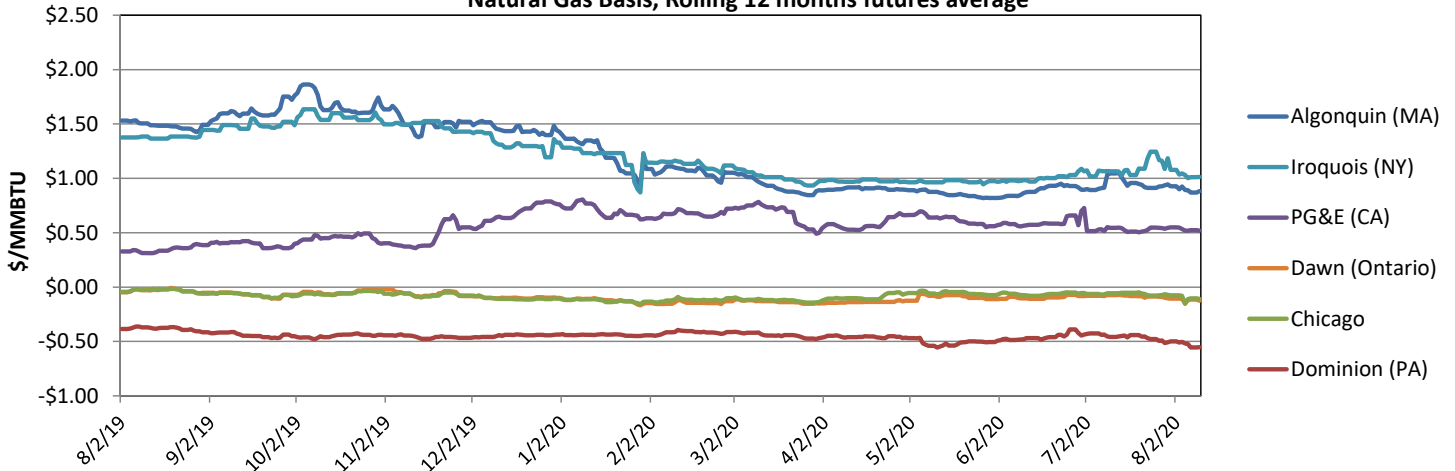
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase 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

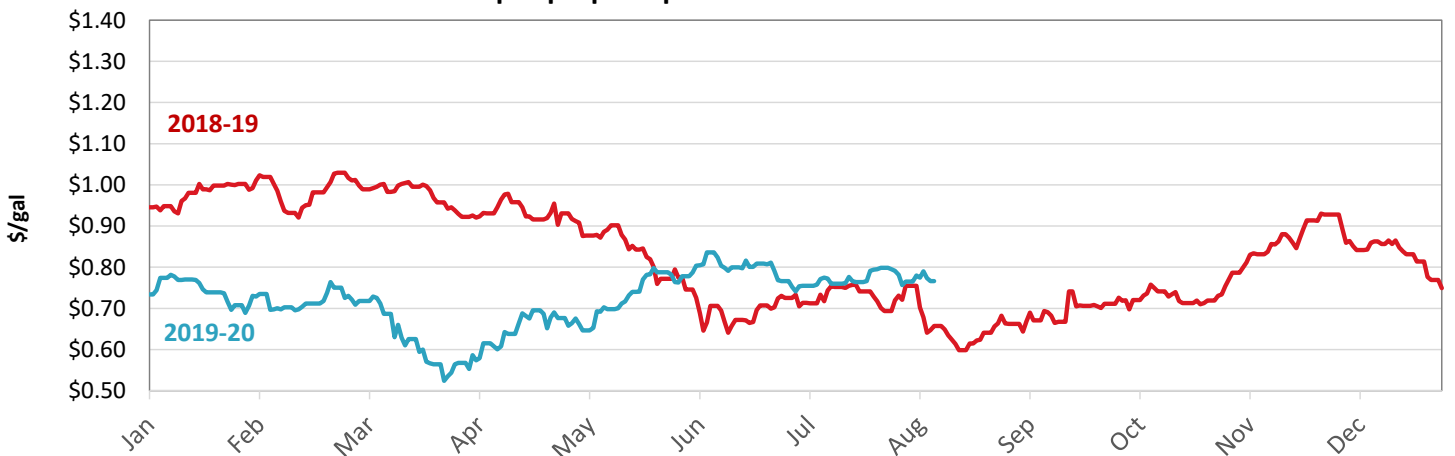
Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated 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.

Natural Gas Basis, Rolling 12 months futures average



### Propane

Spot propane price for Northeast US



**Spot Prices**

		<b>New England ISO Real Time Power Pricing By Zone (\$/MWh)</b>							<b>Avg</b>	
		8/3/20	8/4/20	8/5/20	8/6/20	8/7/20	8/8/20	8/9/20		
<b>Power (\$/MWh)</b>	Maine RT On Pk	28	24	20	16	23			22	
	Maine RT Off Pk	23	18	15	13	15	25	38	21	
	NH RT On Pk	29	24	20	16	23			22	
	NH RT Off Pk	23	18	15	13	15	25	38	21	
	Vermont RT On Pk	28	24	19	16	22			22	
	Vermont RT Off Pk	22	18	14	13	15	24	36	20	
	Connecticut RT On Pk	28	23	19	15	22			22	
	Connecticut RT Off Pk	22	18	16	13	15	24	35	20	
	Rhode Island RT On Pk	28	24	20	16	22			22	
	Rhode Island RT Off Pk	22	18	15	13	15	24	35	20	
	NE Mass RT On Pk	29	24	20	16	23			22	
	NE Mass RT Off Pk	23	18	15	14	15	25	39	21	
	SE Mass RT On Pk	29	24	20	16	22			22	
	SE Mass RT Off Pk	23	18	15	14	15	24	35	21	
	WC Mass RT On Pk	28	24	20	16	22			22	
	WC Mass RT Off Pk	23	18	15	13	15	24	36	21	
		<b>New York ISO Real Time Power Pricing By Zone (\$/MWh)</b>							<b>Avg</b>	
<b>Power (\$/MWh)</b>	Capital RT On Pk	30	16	18	16	23			21	
	Capital RT Off Pk	20	17	10	13	14	25	27	18	
	Central RT On Pk	28	14	16	16	23			19	
	Central RT Off Pk	16	16	9	12	13	23	25	17	
	Hudson RT On Pk	30	17	19	17	24			21	
	Hudson RT Off Pk	19	17	10	13	14	25	27	18	
	Mohawk RT On Pk	27	14	15	16	23			19	
	Mohawk RT Off Pk	16	16	10	12	14	24	24	16	
	Milwood RT On Pk	30	41	18	17	24			26	
	Milwood RT Off Pk	19	17	10	13	14	25	27	18	
	NYC RT On Pk	36	29	22	19	30			27	
	NYC RT Off Pk	23	18	10	14	15	25	28	19	
			<b>PJM Real Time Power Pricing By Zone (\$/MWh)</b>							<b>Avg</b>
	<b>Power (\$/MWh)</b>	Eastern Hub On Pk	58	17	16	19	19			26
		Eastern Hub Off Pk	16	14	13	14	14	14	14	14
		Western Hub On Pk	25	21	21	21	21			22
Western Hub Off Pk		15	14	13	14	14	14	14	14	
PPL Zone On Pk		44	17	21	18	18			24	
PPL Zone Off Pk		15	14	12	13	13	13	13	13	
AEP RT On Pk		26	29	29	22	22			26	
AEP RT Off Pk		15	14	13	15	15	15	15	15	
Chicago RT On Pk		19	28	28	22	22			24	
Chicago RT Off Pk		14	11	13	14	14	14	14	14	
New Jersey Hub On Pk		31	14	17	19	19			20	
New Jersey Hub Off Pk		16	14	12	14	14	14	14	14	
		<b>California ISO Real Time Power Pricing (\$/MWh)</b>							<b>Avg</b>	
<b>Power (\$/MWh)</b>	SoCal Edison RT On Pk	23	21	20	18	22			21	
	SoCal Edison RT Off Pk	20	21	21	20	20	22	26	22	
		8/3/20	8/4/20	8/5/20	8/6/20	8/7/20	8/8/20	8/9/20	<b>Avg</b>	
<b>Natural Gas \$/MMBtu</b>	Henry Hub, LA	2.17	2.17	2.17	2.15	2.15			2.16	
	TZ6, MA	1.66	1.75	1.64	1.64	1.42			1.62	
	Algonquin, MA	1.72	1.85	1.60	1.45	1.45			1.61	
	Chicago Hub, IL	1.78	1.92	1.95	1.92	1.89			1.89	
	New York, NY	1.55	1.78	1.55	1.39	1.38			1.53	
	Dominion South, PA	1.45	1.56	1.41	1.32	1.19			1.39	
	Opal Hub, WY	1.77	1.83	1.83	1.83	1.83			1.82	
	PG&E Citygate, CA	2.59	2.69	2.68	2.68	2.60			2.65	