



# Competitive Energy Services Weekly Market Summary

October 5 - 9, 2020

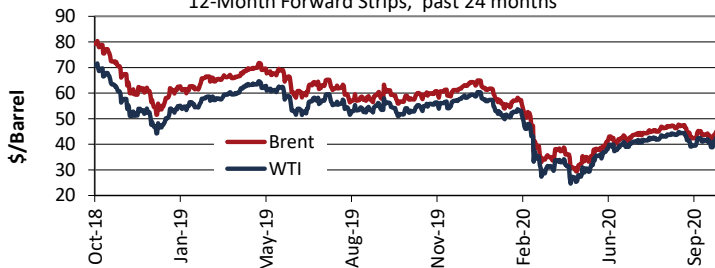
## Synopsis of Last Week's Energy Markets

Crude oil prices ended Friday \$40.60/barrel, a 1% increase from the week prior. Prices rose early in the week as Hurricane Delta forced major shutdowns in the gulf coast, but ultimately fell as a strike shutting Norwegian oil fields ended. Natural gas futures ended the week at \$2.75/MMBtu last Friday, up 13% from the previous week. Futures spiked Friday in anticipation of Hurricane Delta making landfall over the weekend. Gas inventories rose 75 Bcf raising total stocks to 11% above the 5-year average.

## Oil Market

### Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

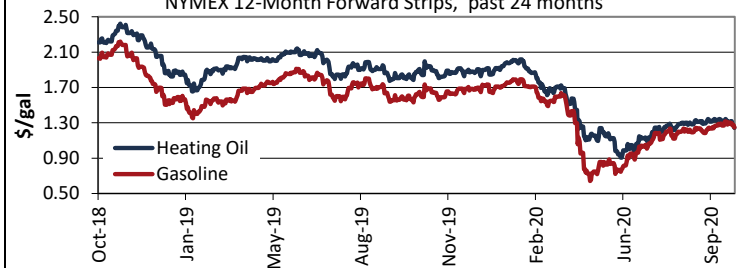


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$42.07	\$38.87	\$71.37	\$23.66
date	10/9/20	10/2/20	10/16/18	4/21/20
change from last close		8.2%	-41.1%	78%

US STORAGE (in million bbls)	crude oil
domestic stocks as of	10/2/20
	493
gain / loss from previous week	0.5
comparison to historic range	outside

### Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

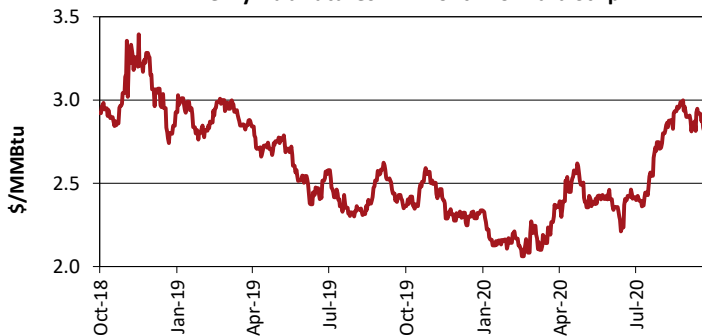


NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.25	\$1.32	\$2.33	\$0.90
date	10/9/20	10/2/20	10/16/18	4/28/20
change from last close		-4.9%	-46%	39%

US STORAGE (in million bbls)	distillate	propane	gasoline	
domestic stocks as of	10/2/20	172	0	227
gain / loss from previous week	-1.0	0.0	-1.4	
comparison to historic range	within	within	within	

## Natural Gas Market

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

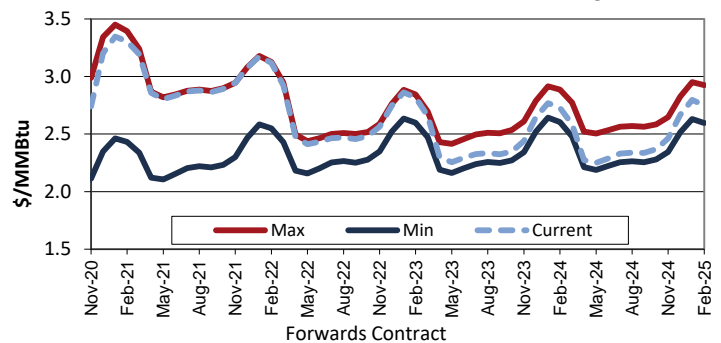


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.98	\$2.81	\$3.43	\$2.05
date	10/9/20	10/2/20	11/14/18	2/28/20
change from last close		6.0%	-13%	45%

CES SCORE	
12 month	6
18 month	5
24 month	7
36 month	19

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)	\$2.98	\$2.97	\$2.84	\$2.72

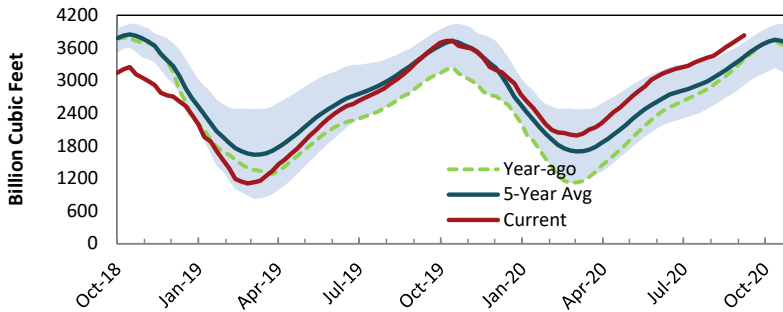
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 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	9/25/20	3,756	
Most Recent Stock Level	10/2/20	3,831	
Year-ago Stock Level		3,387	13.1%
5-Year Average Stock Level		3,437	
Most Recent Net Change	10/2/20	75	
Year-Ago Net Change		102	
5-Year Average Net Change		86	

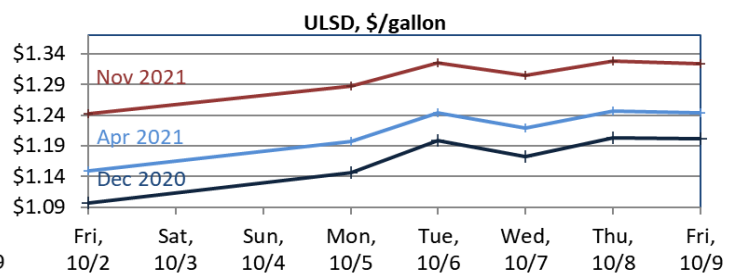
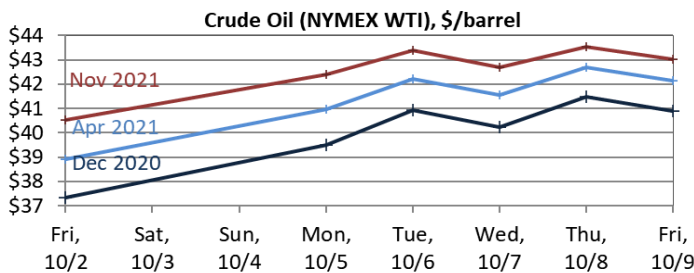
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

### Market Assessment

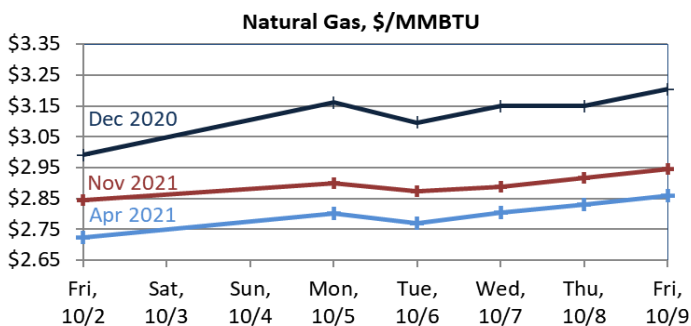
NYMEX Futures Summary Statistics

	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	Oct-20	9/22/20	\$39.60	Nov-20	\$40.91	Oct-21	\$42.97	Nov-20	\$40.60	\$41.70
Heating oil	Oct-20	9/30/20	\$1.15	Nov-20	\$1.19	Oct-21	\$1.31	Nov-20	\$1.19	\$1.23
Natural gas	Oct-20	9/28/20	\$2.10	Nov-20	\$2.74	Jan-21	\$3.35	Nov-20	\$2.74	\$3.12

NYMEX End-of-Day Settlements



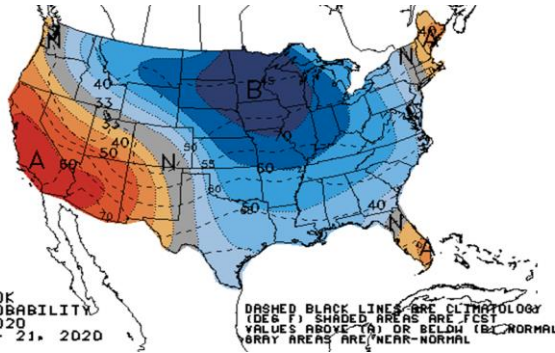
Crude oil prices ended Friday \$40.60/barrel, a 1% increase from the week prior. Hurricane Delta was forecasted to hit the gulf coast hard late last week. Nearly 92% of regional crude output was shut in anticipation of the storm, reducing domestic production by nearly 1.7 million barrels a day. Additionally, OPEC was rumored to delay a scheduled increase of supply. A strike starting Monday over wage disputes briefly halted about 25% of Norwegian production. Later in the week, however, the strike was resolved, ending the shutdown and preventing a spread to other oil fields. The anticipated increase in supply drove prices downwards. Continued uncertainty around the future of stimulus talks coupled with rising cases in the UK and parts of Europe are keeping markets subdued.



November natural gas futures rose 14% week-over-week to \$2.75/MMBtu on Friday. This jump in pricing came as Hurricane Delta approached the Louisiana gulf coast Friday evening. The Category 3 storm brought a majority of gas and oil production in the Gulf to a standstill, threatening the most severe impact to production since 2005. Forecasts for cooler temperatures across the Midwest could mean increased heating demand putting additional upward pressure on the market. EIA data showed US gas stocks rose 75 Bcf raising total US storage 11% above the 5-year average as of Friday, October 2. Gas flows to US LNG terminals dropped to 6 bcf Thursday, down 13% from last week.

The National Weather Service near-term forecast calls for above average temperatures in the Northeastern and Southwestern U.S. and below average temperatures in the Central U.S. 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 Oct 17 - 21

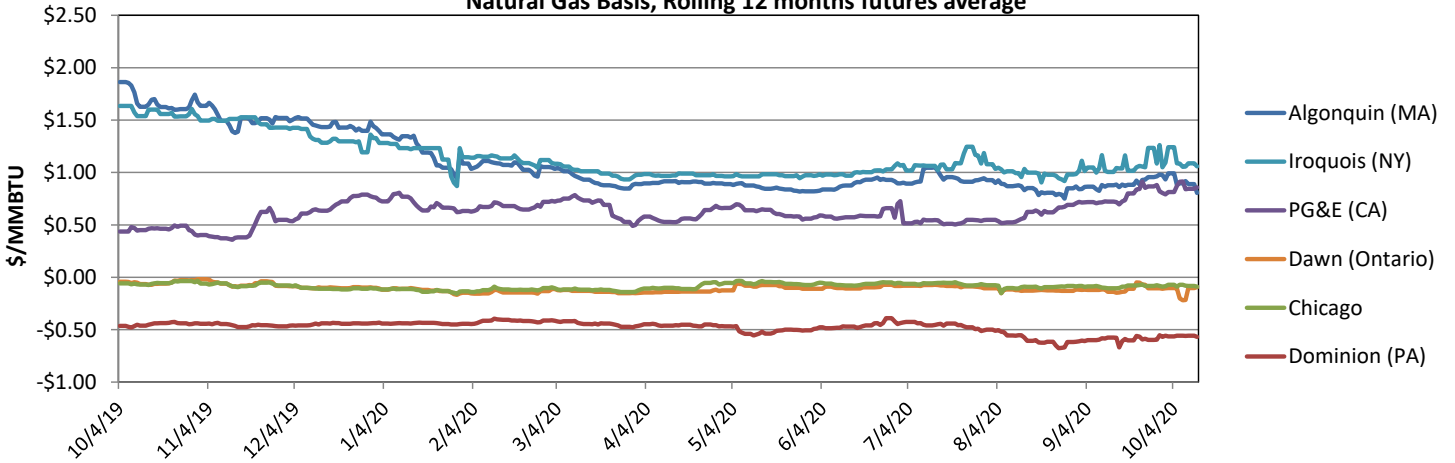
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase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

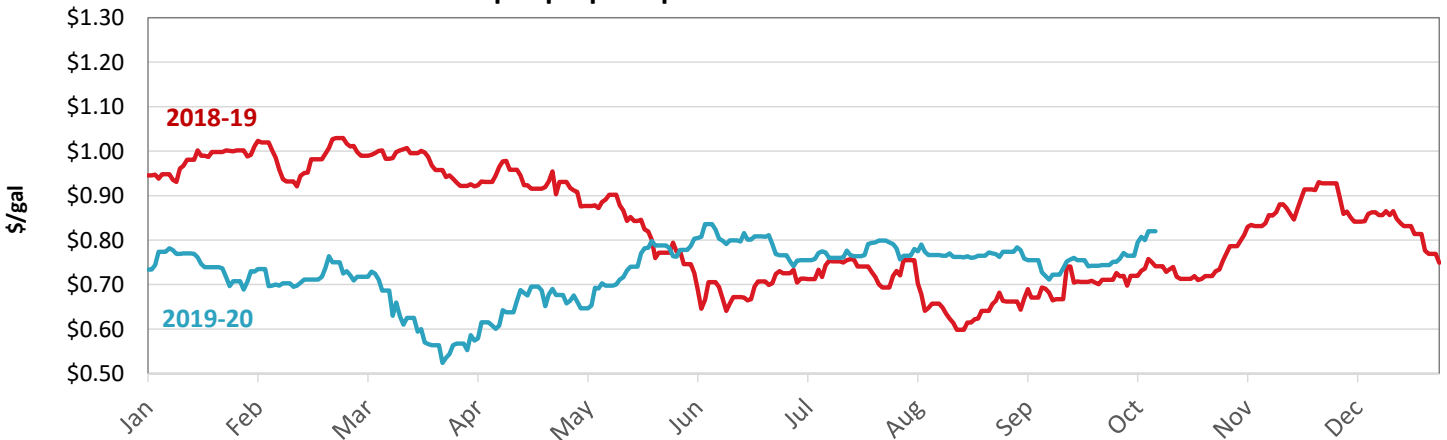
Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated 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>	
		10/5/20	10/6/20	10/7/20	10/8/20	10/9/20	10/10/20	10/11/20		
Power (\$/MWh)	Maine RT On Pk	26	34	31	24	17			27	
	Maine RT Off Pk	19	17	22	26	14	18	14	19	
	NH RT On Pk	26	34	31	25	17			27	
	NH RT Off Pk	19	17	22	34	14	19	14	20	
	Vermont RT On Pk	25	32	30	24	17			26	
	Vermont RT Off Pk	19	17	21	32	14	18	13	19	
	Connecticut RT On Pk	25	32	30	24	17			25	
	Connecticut RT Off Pk	19	17	21	33	14	18	13	19	
	Rhode Island RT On Pk	25	32	30	24	17			26	
	Rhode Island RT Off Pk	19	17	21	33	14	18	13	19	
	NE Mass RT On Pk	26	33	31	25	17			26	
	NE Mass RT Off Pk	19	17	21	34	14	18	14	20	
	SE Mass RT On Pk	25	33	30	24	17			26	
	SE Mass RT Off Pk	19	17	21	34	14	18	13	20	
	WC Mass RT On Pk	25	33	30	24	17			26	
	WC Mass RT Off Pk	19	17	21	34	14	18	14	20	
			<b>New York ISO Real Time Power Pricing By Zone (\$/MWh)</b>							<b>Avg</b>
		Capital RT On Pk	26	17	18	24	15			20
		Capital RT Off Pk	12	11	17	12	14	11	11	12
		Central RT On Pk	25	15	11	23	13			17
		Central RT Off Pk	12	10	3	9	13	7	9	9
		Hudson RT On Pk	25	15	16	24	15			19
		Hudson RT Off Pk	12	10	13	11	13	10	11	11
		Mohawk RT On Pk	25	15	11	23	14			18
		Mohawk RT Off Pk	12	10	3	9	13	7	10	9
		Milwood RT On Pk	26	16	16	24	15			19
		Milwood RT Off Pk	12	11	13	11	13	10	11	12
	NYC RT On Pk	26	16	16	24	15			19	
	NYC RT Off Pk	12	11	13	11	14	10	11	12	
		<b>PJM Real Time Power Pricing By Zone (\$/MWh)</b>							<b>Avg</b>	
	Eastern Hub On Pk	15	19	21	14	14			17	
	Eastern Hub Off Pk	14	11	12	14	14	14	14	13	
	Western Hub On Pk	17	20	23	19	19			20	
	Western Hub Off Pk	14	11	12	16	16	16	16	15	
	PPL Zone On Pk	13	16	19	9	9			13	
	PPL Zone Off Pk	14	11	12	10	10	10	10	11	
	AEP RT On Pk	20	25	30	26	26			25	
	AEP RT Off Pk	15	11	13	20	20	20	20	17	
	Chicago RT On Pk	16	25	26	25	25			24	
	Chicago RT Off Pk	14	11	11	18	18	18	18	15	
	New Jersey Hub On Pk	15	19	21	13	13			16	
	New Jersey Hub Off Pk	14	11	12	13	13	13	13	13	
		<b>California ISO Real Time Power Pricing (\$/MWh)</b>							<b>Avg</b>	
	SoCal Edison RT On Pk	61	41	40	30	26			40	
	SoCal Edison RT Off Pk	28	36	35	29	26	25	19	28	
		10/5/20	10/6/20	10/7/20	10/8/20	10/9/20	10/10/20	10/11/20	<b>Avg</b>	
Natural Gas \$/MMBtu	Henry Hub, LA	1.90	1.86	2.01	1.49	1.49			1.75	
	TZ6, MA	1.26	1.30	1.30	0.82	0.82			1.10	
	Algonquin, MA	1.45	1.45	1.43	0.86	0.86			1.21	
	Chicago Hub, IL	1.45	1.53	1.56	1.17	1.17			1.38	
	New York, NY	1.13	1.13	1.13	0.72	0.72			0.97	
	Dominion South, PA	0.99	1.08	1.12	0.64	0.64			0.89	
	Opal Hub, WY	1.81	1.81	1.81	1.81	1.81			1.81	
	PG&E Citygate, CA	3.91	4.01	3.97	3.86	3.86			3.92	