



# Competitive Energy Services Weekly Market Summary

October 26 - 30, 2020

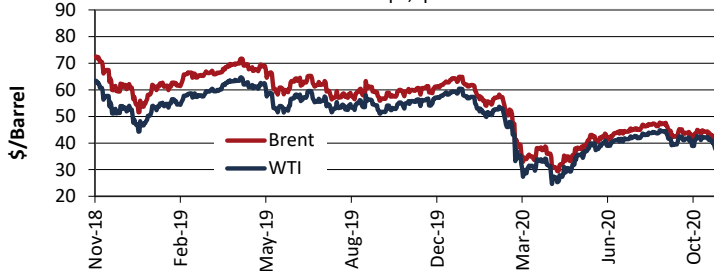
## Synopsis of Last Week's Energy Markets

Crude oil prices ended Friday \$37.46/barrel, a 10.3% decrease from the week prior. Fears of delayed demand recovery and rising coronavirus cases are causing prices to plunge. Natural gas futures rose 13% from the previous week to settling at \$3.35/MMBtu last Friday. This rise was spurred by the impacts of production shutdowns due to Tropical Storm Zeta and the growing demand for U.S. LNG exports. Gas inventories rose by 29 Bcf bringing to help total stockpiles reach to 3,955 Bcf.

## Oil Market

### Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

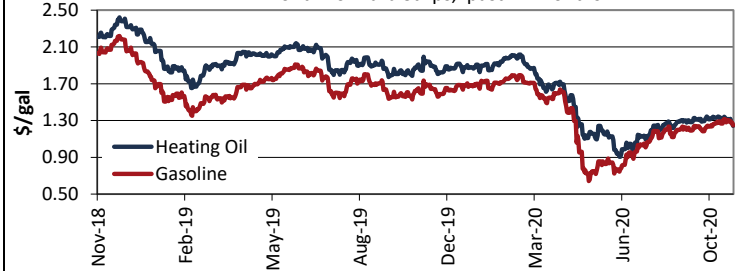


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$37.71	\$41.00	\$64.69	\$23.66
date	10/30/20	10/23/20	4/23/19	4/21/20
change from last close		-8.0%	-41.7%	59%

US STORAGE (in million bbls)	crude oil
domestic stocks as of	10/23/20
	492
gain / loss from previous week	4.3
comparison to historic range	outside

### Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

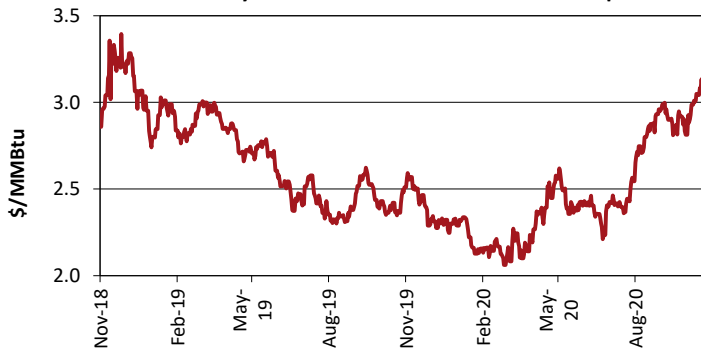


NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.14	\$1.32	\$2.20	\$0.90
date	10/30/20	10/23/20	11/7/18	4/28/20
change from last close		-13.5%	-48%	26%

US STORAGE (in million bbls)	distillate	propane	gasoline	
domestic stocks as of	10/23/20	156	0	226
gain / loss from previous week	-4.5	0.0	-0.9	
comparison to historic range	within	within	within	

## Natural Gas Market

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

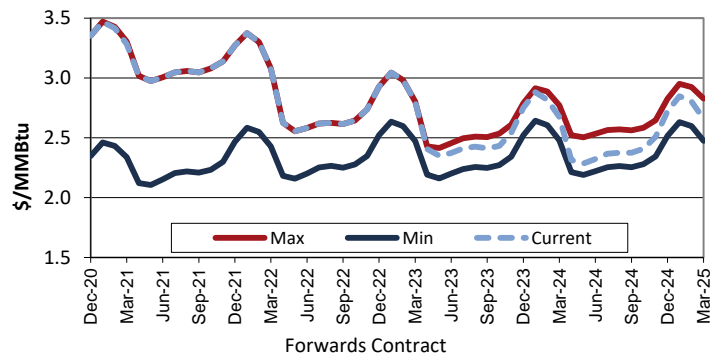


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$3.16	\$3.03	\$3.43	\$2.05
date	10/30/20	10/23/20	11/14/18	2/28/20
change from last close		4.4%	-8%	54%

CES SCORE	
12 month	0
18 month	0
24 month	0
36 month	7

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)	\$3.16	\$3.12	\$3.00	\$2.86

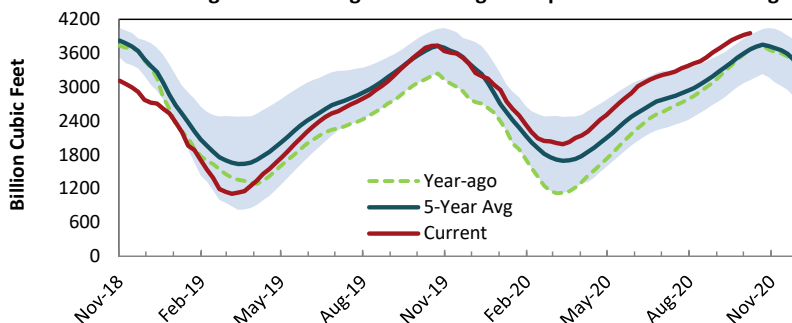
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 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	10/16/20	3,926	
Most Recent Stock Level	10/23/20	3,955	
Year-ago Stock Level		3,670	7.8%
5-Year Average Stock Level		3,666	
Most Recent Net Change	10/23/20	29	
Year-Ago Net Change		89	
5-Year Average Net Change		67	

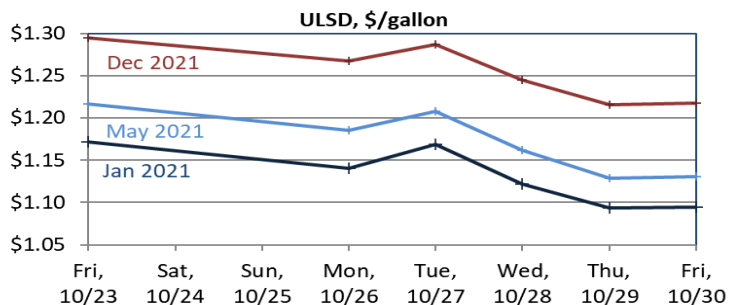
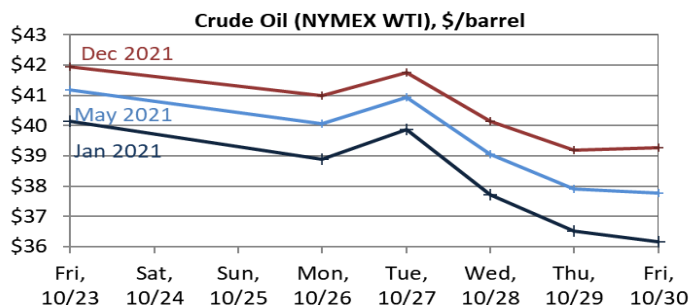
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

### Market Assessment

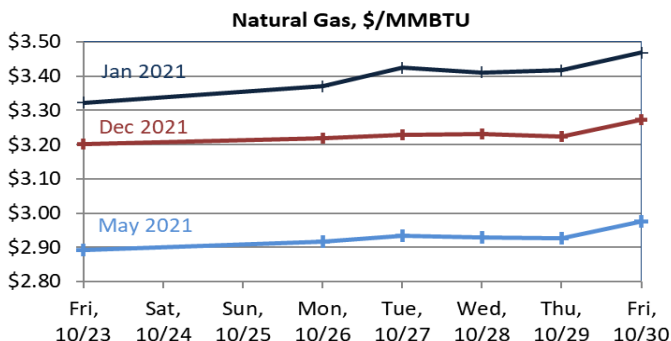
NYMEX Futures Summary Statistics

	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	Nov-20	10/20/20	\$41.46	Dec-20	\$36.15	Nov-21	\$39.12	Dec-20	\$35.79	\$37.16
Heating oil	Nov-20	10/30/20	\$1.08	Dec-20	\$1.09	Nov-21	\$1.21	Dec-20	\$1.09	\$1.12
Natural gas	Nov-20	10/28/20	\$3.00	Dec-20	\$3.35	Jan-21	\$3.47	May-21	\$2.98	\$3.19

NYMEX End-of-Day Settlements



Crude oil prices ended Friday \$37.46/barrel, a 10.3% decrease from the week prior. Prices fell sharply as global spread of coronavirus continues. In the U.S. more than 99,000 new cases were diagnosed Friday according to the CDC, a record high daily infection rate. Demand recovery prospects are dampened with cases rising across the globe. In the EU, new lockdown measures are being imposed in the UK, France, and Germany, the latter two expected to last for at least a month. Refinery activity remains down, with some large producers considering shutting until 2021 as hurricane season continues to batter the Gulf Coast region and levels of travel and fuel consumption are low. The upcoming election is adding to uncertainty ahead of Tuesday's race, the broader market saw a widespread selloff considered the worst since March.



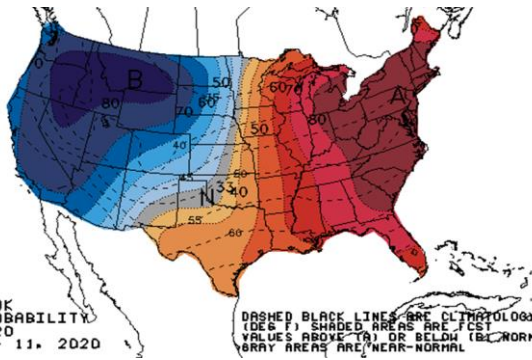
December front-month natural gas futures rose 13% week-over-week settling at \$3.35/MMBtu on Friday. The November futures contract settled on Wednesday at \$2.996/MMBtu. Tropical Storm Zeta's movement towards the Gulf of Mexico prompted operators to shut down 58% of offshore natural gas production in the Gulf, triggering an increase in prices on Thursday. Increasing demand for LNG exports along with the temporary decline in production contributed to the rise in prices. LNG exports rose 16% from the previous week due to increasing European and Asian demand as their economies recover. Gas inventories rose 29 Bcf the week of Oct 23rd. Injections fell below the week's 5-year average stockpile gain of 67 Bcf, indicative of higher demand for LNG exports.

The National Weather Service near-term forecast calls for above average temperatures in the Eastern U.S. and below average temperatures in the 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 OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 1 NOV 2020  
VALID NOV 07 - 11, 2020



DASHED BLACK LINES ARE CLIMATOLOGY (DEG F) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL (GRAY AREAS ARE NEAR-NORMAL)

#### 6 - 10 Day Forecast for Nov 7 - 11

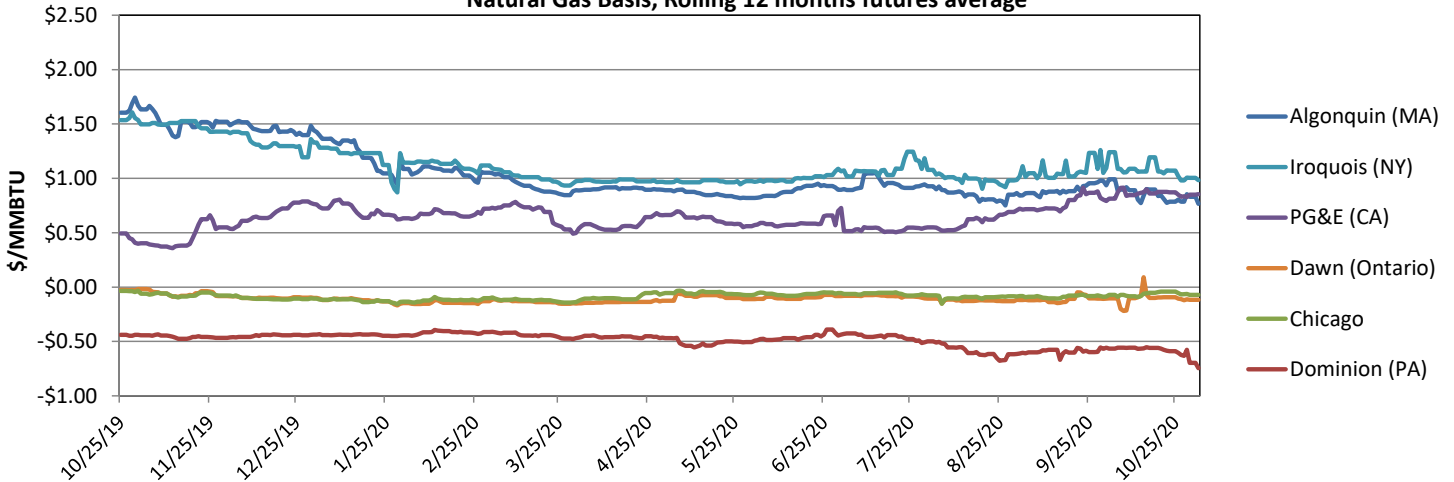
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase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

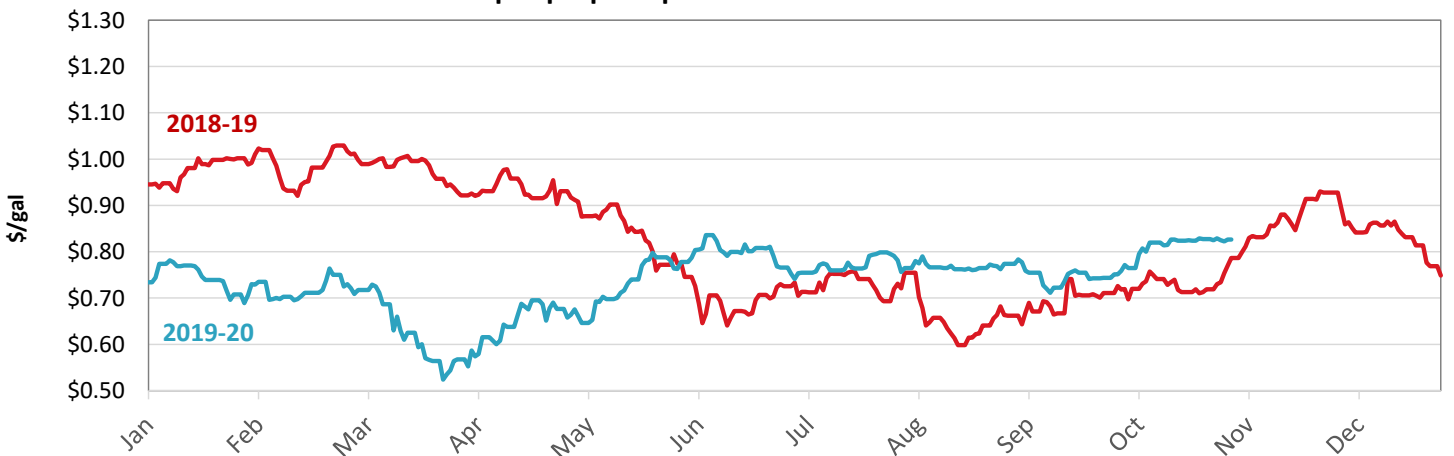
Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated 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>	
		10/26/20	10/27/20	10/28/20	10/29/20	10/30/20	10/31/20	11/1/20		
<b>Power (\$/MWh)</b>	Maine RT On Pk	46	38	59	58	47			49	
	Maine RT Off Pk	22	25	32	27	29	35	35	29	
	NH RT On Pk	46	38	58	58	47			49	
	NH RT Off Pk	22	25	32	27	29	35	35	29	
	Vermont RT On Pk	43	37	56	57	46			48	
	Vermont RT Off Pk	22	24	31	26	28	34	34	29	
	Connecticut RT On Pk	44	37	56	56	46			48	
	Connecticut RT Off Pk	22	25	31	27	28	34	34	29	
	Rhode Island RT On Pk	45	37	57	56	47			48	
	Rhode Island RT Off Pk	22	25	31	27	29	35	35	29	
	NE Mass RT On Pk	46	38	58	57	47			49	
	NE Mass RT Off Pk	22	25	32	27	29	35	35	29	
	SE Mass RT On Pk	45	38	57	57	48			49	
	SE Mass RT Off Pk	22	25	32	27	29	35	35	29	
	WC Mass RT On Pk	45	38	57	57	47			49	
	WC Mass RT Off Pk	22	25	32	27	29	35	35	29	
			<b>New York ISO Real Time Power Pricing By Zone (\$/MWh)</b>							<b>Avg</b>
<b>Power (\$/MWh)</b>	Capital RT On Pk	31	35	40	24	33			33	
	Capital RT Off Pk	18	21	35	22	28	64	64	36	
	Central RT On Pk	29	33	37	23	31			31	
	Central RT Off Pk	16	18	19	20	12	21	21	18	
	Hudson RT On Pk	32	35	40	25	33			33	
	Hudson RT Off Pk	18	20	30	22	24	52	52	31	
	Mohawk RT On Pk	29	33	36	20	31			30	
	Mohawk RT Off Pk	15	15	19	20	12	22	22	18	
	Milwood RT On Pk	33	35	40	26	34			33	
	Milwood RT Off Pk	18	20	31	22	24	53	53	32	
	NYC RT On Pk	33	36	40	26	34			34	
	NYC RT Off Pk	19	20	31	22	24	53	53	32	
			<b>PJM Real Time Power Pricing By Zone (\$/MWh)</b>							<b>Avg</b>
	<b>Power (\$/MWh)</b>	Eastern Hub On Pk	25	27	28	26	26			27
		Eastern Hub Off Pk	17	18	19	19	19	19	19	18
		Western Hub On Pk	32	47	28	26	26			32
		Western Hub Off Pk	17	24	19	19	19	19	19	19
PPL Zone On Pk		24	25	27	25	25			25	
PPL Zone Off Pk		16	17	18	18	18	18	18	18	
AEP RT On Pk		42	47	28	26	26			34	
AEP RT Off Pk		19	35	20	19	19	19	19	21	
Chicago RT On Pk		40	46	28	25	25			33	
Chicago RT Off Pk		19	35	20	19	19	19	19	21	
New Jersey Hub On Pk		25	28	28	26	26			26	
New Jersey Hub Off Pk		16	18	18	19	19	19	19	18	
		<b>California ISO Real Time Power Pricing (\$/MWh)</b>							<b>Avg</b>	
<b>Power (\$/MWh)</b>	SoCal Edison RT On Pk	42	41	36	33	31			37	
	SoCal Edison RT Off Pk	41	40	39	34	35	35	35	37	
		10/26/20	10/27/20	10/28/20	10/29/20	10/30/20	10/31/20	11/1/20	<b>Avg</b>	
<b>Natural Gas \$/MMBtu</b>	Henry Hub, LA	3.03	3.03	3.03	3.03	3.03			3.03	
	TZ6, MA	3.05	3.05	3.47	4.48	4.48			3.71	
	Algonquin, MA	3.20	2.60	6.50	6.50	6.50			5.06	
	Chicago Hub, IL	3.06	3.05	2.99	2.91	2.91			2.98	
	New York, NY	1.71	1.76	2.09	2.09	2.09			1.95	
	Dominion South, PA	1.67	1.64	1.97	1.90	1.90			1.82	
	Opal Hub, WY	3.54	3.62	3.62	3.62	3.62			3.60	
	PG&E Citygate, CA	4.09	4.08	4.11	4.07	4.07			4.08	