



# Competitive Energy Services Weekly Market Summary

October 21 - 25, 2013

## Synopsis of Last Week's Energy Markets

Crude oil and natural gas prices were both volatile last week as the EIA resumed its storage reports, releasing two weeks of data over the week. Crude prices saw a third consecutive weekly loss as both EIA reports were bearish for WTI. An increase in production and a slowdown in refinery rates have led to a net gain of 25 million barrels in storage over the past 5 weeks. A rally in equities late in the week pared the decline. Natural gas prices declined for the second week in a row. The storage report for the week ending October 11 was market-neutral, while the one for the week ended October 18 showed an above-average injection into inventories. Forecasts for a cold front in the last week of October boosted prices late in the week.

## Oil Market

### Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

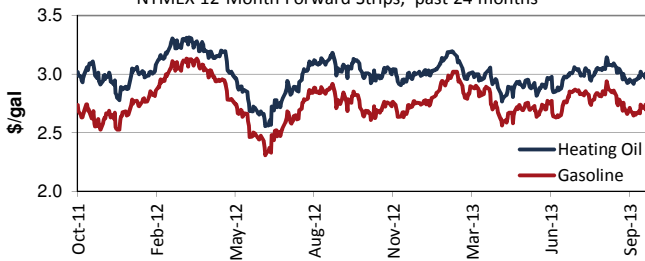


<b>NYMEX WTI</b>	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$95.62	\$98.62	\$110.14	\$79.98
date	10/25/13	10/18/13	2/24/12	6/28/12
change from last close		-3.0%	-13.2%	20%

<b>WTI STORAGE (in million bbls)</b>		crude oil
domestic stocks as of	10/18/2013	379.8
gain / loss from previous week		5.3
comparison to historic range		above

### Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months



<b>NYMEX Heating Oil</b>	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$2.90	\$2.99	\$3.31	\$2.55
date	10/25/13	10/18/13	3/16/12	6/21/12
change from last close		-3.1%	-12%	13%

<b>STORAGE (in million bbls)</b>		distillate	propane	gasoline
domestic stocks as of	10/18/2013	125.8	66.0	215.5
gain / loss from previous week		1.6	-0.5	-1.8
comparison to historic range		within	within	within

## Natural Gas Market

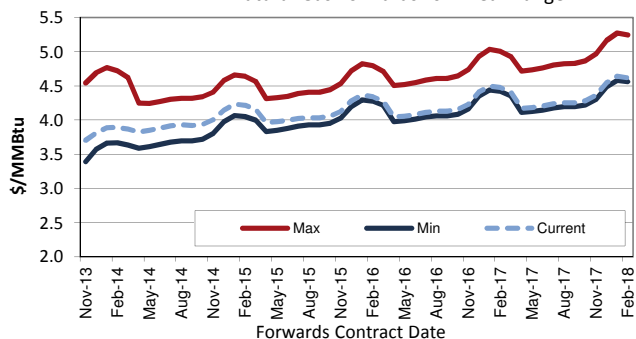
### NYMEX Henry Hub Futures: 12 Month Forward Strip



<b>NYMEX PRICING</b>	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$3.87	\$3.95	\$4.53	\$2.56
date	10/25/13	10/18/13	4/19/13	4/19/12
change from last close		-1.9%	-12%	13%

<b>CES SCORE</b>		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.
12 month	69	
18 month	70	
24 month	72	
36 month	77	

### NYMEX Natural Gas Forwards vs. 1 Year Range



<b>FORWARDS</b>	12 month	18 month	24 month	36 month
strip (\$/MMBtu)	\$3.87	\$3.95	\$3.97	\$4.04

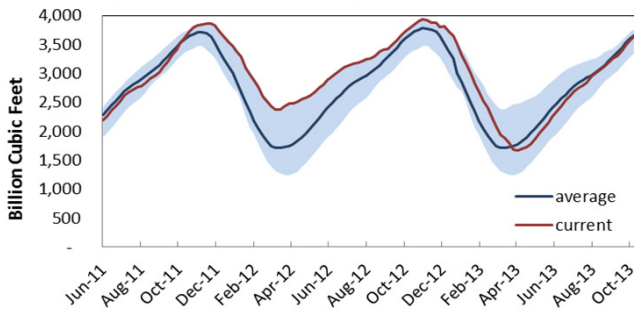
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets including New England, Texas and, to a lesser extent, New York and the Mid-Atlantic. This chart compares the current natural gas price for each forward month on the 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	10/11/13	3,654	
Most Recent Stock Level	10/18/13	3,741	
Year-ago Stock Level		3,833	-2.4%
5-Year Average Stock Level		3,664	2.1%
Most Recent Net Change	10/18/13	87	
Year-Ago Net Change		+64	
5-Year Average Net Change		+67	

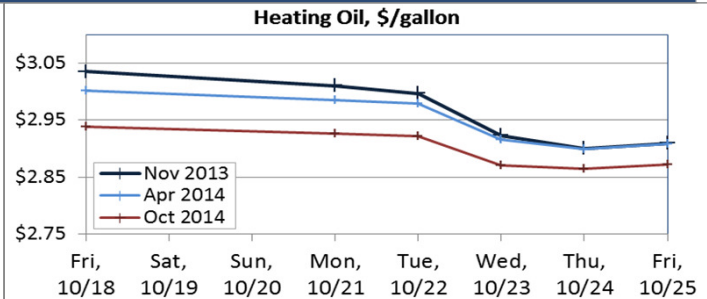
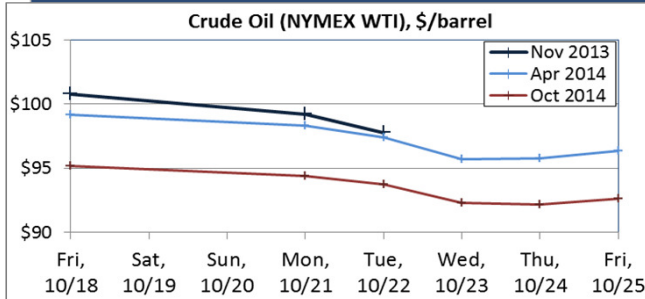
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

### Market Assessment

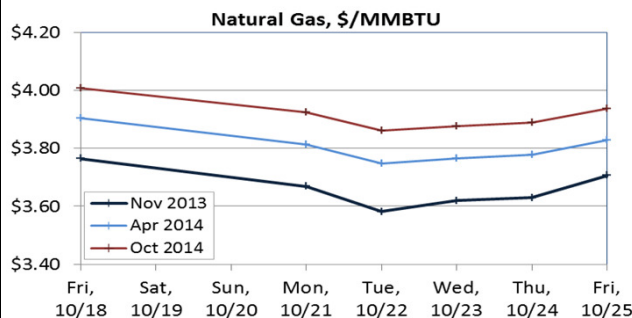
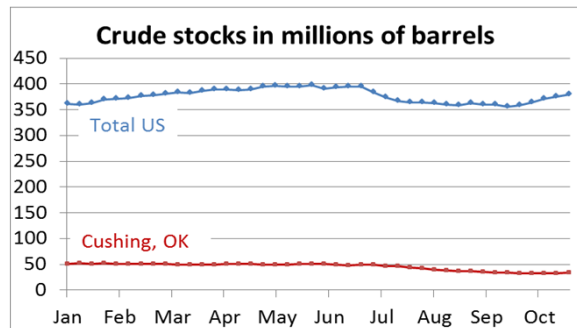
NYMEX Futures Summary Statistics

	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Next Winter Average (Nov14-Mar13)
Crude oil	Nov-13	10/22/13	\$ 97.80	Dec-13	\$ 97.85	Jan-14	\$ 97.95	Nov-14	\$ 92.09	\$91.02
Heating oil	Oct-13	9/30/13	\$ 2.97	Nov-13	\$ 2.91	Feb-14	\$ 2.92	Oct-14	\$ 2.87	\$2.86
Natural gas	Oct-13	9/26/13	\$ 3.50	Nov-13	\$ 3.71	Oct-14	\$ 3.94	Nov-13	\$ 3.71	\$4.15

NYMEX End-of-Day Settlements



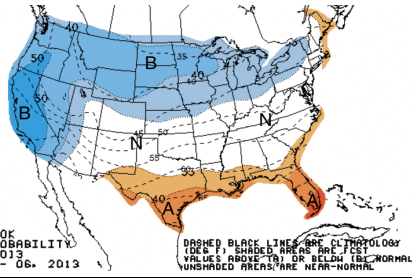
WTI fell the first half of the week as the EIA caught up on releasing storage data, which was delayed during the federal government shutdown. WTI for the prompt month fell below \$100 per barrel on Monday after the EIA released the report for the week ended October 11. Crude stocks grew by 4 million barrels, more than the 3 million barrel projection by Bloomberg News. On Wednesday the EIA released the report for the week ended October 18, showing that crude stocks gained 5.25 million barrels. Inventories have gained almost 25 million barrels over the past five weeks. Furthermore, domestic production rose to a 24-year high due to the increase of crude drawn from shale plays. Crude supplies at the NYMEX storage hub of Cushing, Oklahoma, increased for a second week after falling for fourteen weeks. WTI crude rebounded on Thursday and Friday, trailing a rally in equities. Brent crude for December delivery ended the week at \$106.93 per barrel, a \$9.08 premium to WTI.



Natural gas fell Monday and Tuesday. The EIA storage report for the week ended October 11 showed a 77 billion cubic feet (Bcf) increase; both the weekly net injection and overall stock levels were in line with the 5-year average for the report week. Forecasts for cooler weather in the Midwest and Mid-Atlantic States began to bring gas prices up on Wednesday, with several weather outlets reporting a cold front moving across the eastern US during the last week of October. The EIA report for the week ending October 18 showed a net injection of 87 Bcf, 20 Bcf more than the five-year average for the report week. Despite the bearish news, gas prices continued to rise on Thursday and Friday due to the cold weather forecast. Almost half of all households in the US rely on gas as their heating fuel.

The National Weather Service near-term forecast calls for below-normal temperatures for the West and the central northern US east to the Great Lakes. The natural gas market scores improved from the previous week. Clients with electricity or natural gas contracts expiring in 2013, 2014, and 2015 should consult with a CES representative for customized guidance.

**Weather Forecast**



**National Weather Service 6 - 10 Day Forecast for November 2-6, 2013**

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. The National Hurricane Center is not reporting any tropical cyclone activity in the Atlantic at this time which could threaten operations in the Gulf of Mexico.

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

**Spot Prices**

		New England ISO Real Time Power Pricing By Zone (\$/MWh)								
		10/21/13	10/22/13	10/23/13	10/24/13	10/25/13	10/26/13	10/27/13	Avg	
Power (\$/MWh)	Maine RT On Pk	36	36	36	35	39			37	
	Maine RT Off Pk	18	35	16	21	26	39	34	27	
	NH RT On Pk	36	36	36	36	40			37	
	NH RT Off Pk	18	35	16	20	27	39	34	27	
	Vermont RT On Pk	35	36	36	36	40			36	
	Vermont RT Off Pk	19	35	16	18	27	40	34	27	
	Connecticut RT On Pk	36	36	36	37	42			37	
	Connecticut RT Off Pk	19	35	16	23	27	40	34	28	
	Rhode Island RT On Pk	35	35	35	36	41			36	
	Rhode Island RT Off Pk	19	35	16	26	27	40	34	28	
	NE Mass RT On Pk	36	36	35	36	41			37	
	NE Mass RT Off Pk	18	35	16	26	27	39	34	28	
	SE Mass RT On Pk	35	35	35	36	41			36	
	SE Mass RT Off Pk	18	35	16	26	27	39	34	28	
	WC Mass RT On Pk	36	36	36	36	41			37	
	WC Mass RT Off Pk	19	35	16	25	27	40	34	28	
			New York ISO Real Time Power Pricing By Zone (\$/MWh)							
			10/21/13	10/22/13	10/23/13	10/24/13	10/25/13	10/26/13	10/27/13	Avg
Power (\$/MWh)	Capital RT On Pk	42	49	41	38	38			42	
	Capital RT Off Pk	24	32	16	25	23	31	33	26	
	Central RT On Pk	40	47	39	37	37			40	
	Central RT Off Pk	21	30	16	24	22	27	30	25	
	Hudson RT On Pk	44	51	42	40	40			43	
	Hudson RT Off Pk	24	33	17	26	24	31	33	27	
	Mohawk RT On Pk	40	46	39	37	37			40	
	Mohawk RT Off Pk	21	30	16	24	22	27	31	25	
	Milwood RT On Pk	43	50	42	40	39			43	
	Milwood RT Off Pk	24	32	17	26	23	31	33	27	
	NYC RT On Pk	43	50	44	49	51			47	
	NYC RT Off Pk	24	32	17	26	24	31	33	27	
		PJM Real Time Power Pricing By Zone (\$/MWh)								
		10/21/13	10/22/13	10/23/13	10/24/13	10/25/13	10/26/13	10/27/13	Avg	
Power (\$/MWh)	Eastern Hub On Pk	38	42	43	42	38			41	
	Eastern Hub Off Pk	28	30	28	33	29	29	29	29	
	Western Hub On Pk	37	41	42	41	37			39	
	Western Hub Off Pk	28	29	29	32	30	30	30	30	
	PPL Zone On Pk	37	41	42	41	36			39	
	PPL Zone Off Pk	28	29	27	32	28	28	28	29	
	AEP RT On Pk	37	39	40	40	36			38	
	AEP RT Off Pk	28	29	28	32	30	30	30	30	
	Chicago RT On Pk	35	38	39	39	34			37	
	Chicago RT Off Pk	22	28	24	29	26	26	26	26	
	New Jersey Hub On Pk	37	41	43	42	37			40	
	New Jersey Hub Off Pk	28	30	28	32	29	29	29	29	
			California ISO Real Time Power Pricing (\$/MWh)							
			10/21/13	10/22/13	10/23/13	10/24/13	10/25/13	10/26/13	10/27/13	Avg
Power (\$/MWh)	SoCal Edison RT On Pk	75	52	54	58	55			59	
	SoCal Edison RT Off Pk	40	36	33	29	38	43	32	36	
Natural Gas \$/MMBtu			10/21/13	10/22/13	10/23/13	10/24/13	10/25/13	10/26/13	10/27/13	Avg
	Henry Hub, LA		3.78	3.70	3.66	3.65	3.68	3.68	3.68	3.69
	TZ6, MA		3.83	4.17	4.50	4.54	4.16	4.16	4.16	4.22
	Algonquin, MA		3.85	4.08	4.60	4.62	4.13	4.13	4.13	4.22
	Chicago Hub, IL		4.11	3.95	3.88	3.88	3.91	3.91	3.91	3.94
	New York, NY		3.84	3.84	3.70	3.76	3.72	3.72	3.72	3.76
	Dominion South, PA		3.60	3.63	3.55	3.57	3.51	3.51	3.51	3.55
	Opal Hub, WY		3.78	3.73	3.71	3.66	3.68	3.68	3.68	3.71
	PG&E Citygate, CA		4.07	3.97	3.96	3.94	3.99	3.99	3.99	3.98
	Kern River Deliveries		3.93	3.87	3.85	3.81	3.83	3.83	3.83	3.85