



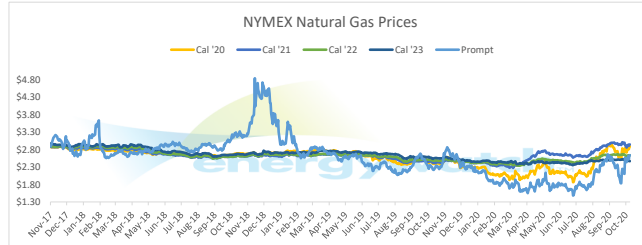
Week Ending: 10/9/2020

#### Weekly Update:

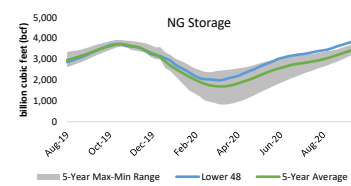
The number of workers who filed for unemployment benefits is greater than the expected 825,000 at 898,000. Jobless claims are at the highest level since the end of August with the current administration seemingly not wanting to proceed with a second stimulus package. In addition, U.S. stocks end lower for third session as jobless claims rise. Winter energy bills in the U.S. are likely going to be like last winter's for residential natural gas and electricity prices. The EIA expects that households that mostly use electricity or natural gas will have slightly higher energy expenditures this winter and households that primarily use propane will spend about 14% more. Households that use heating oil are expected to spend 10% less compared to last winter. The average U.S. household is expected to consume more fuel for space heating this winter compared to last. Natural gas is the most common space heating fuel in 28 states, electricity is more commonly used in the south, heating oil is popular in the Northeast and propane is frequently used in the Midwest.

For the week ending October 9th, reported injection was 46 Bcf. Current gas storage inventory is 3,877 Bcf, up 388 Bcf or 11% from this time last year and up 353 Bcf or 10% from the five-year average. Meanwhile the Nov20 natural gas contract is trading up \$0.20 at \$2.84 and the Nov20 crude oil contract is down \$1.34 at \$39.70.

Natural gas pricing plays a key role in electricity power pricing due to the increasing reliance on natural gas fired generators as nuclear, coal, and oil generation is retired and mothballed. As the marginal unit of generation, gas prices are directly correlated to power pricing (more so in some regions such as NYC vs. others such as parts of PJM). We keep an eye on natural gas market fundamentals in order to provide insights into forward power pricing for our clients. Gas production has grown and surpassed any speculation that production would not be able to keep up with demand due to LNG and Mexican exports.

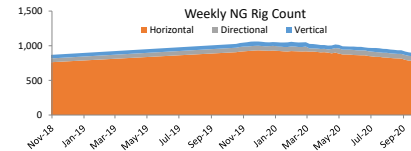


Natural Gas Storage Week Ending 10/9/2020	
Current Week Stocks (bcf)	3,877
Previous Week Stocks (bcf)	3,831
Implied Net Change (bcf)	46
Expected Net Change (bcf)	75
Variance (bcf)	-29
Year-Ago Stocks (bcf)	3,489
Variance vs Prev. Year (%)	11.1%
5-Year Average (bcf)	3,524
Variance vs 5-YR Avg (%)	10.0%

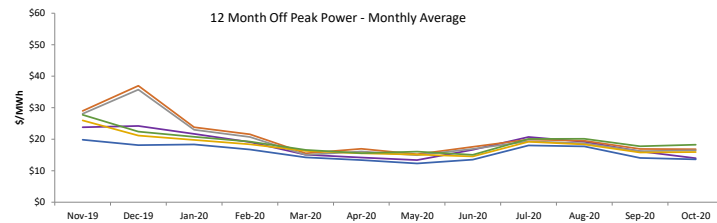
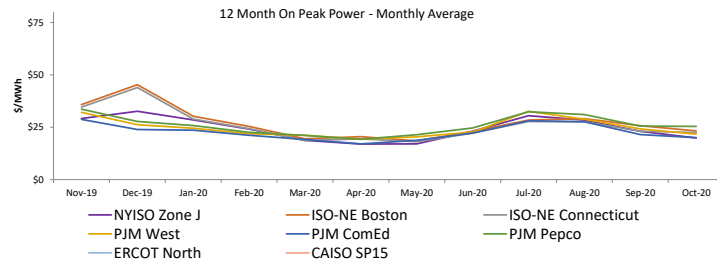


	\$/MMBtu	W-o-W Δ	Y-o-Y Δ
Prompt Month	\$2.775	0.3%	21.5%
12-Month	\$3.052	1.7%	28.3%
24-Month	\$2.908	1.8%	20.9%
Cal 20	\$3.018	0.8%	25.6%
Cal 21	\$3.066	2.0%	26.1%
Cal 22	\$2.697	1.8%	8.7%

Week Ending:	9/18/2020	W-o-W Δ
Oil Rigs	193	1.2%
Gas Rigs	73	-0.8%
Vertical	52	0.0%
Horizontal	749	0.0%
Directional	54	0.0%

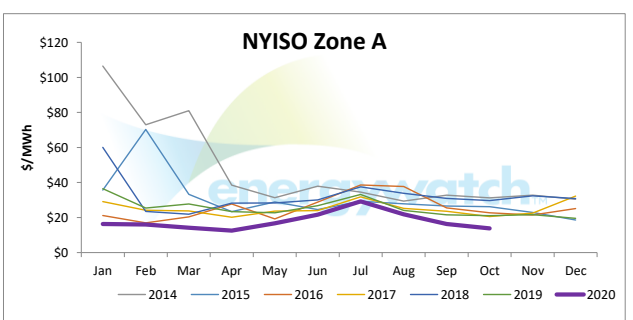
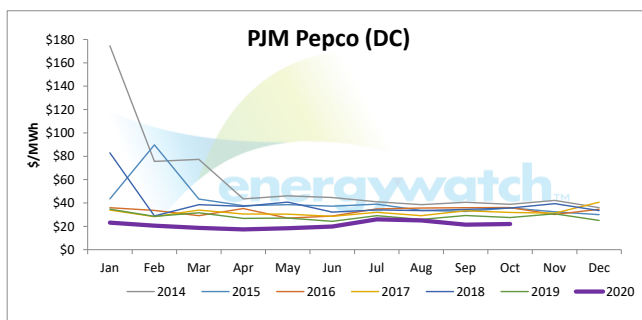
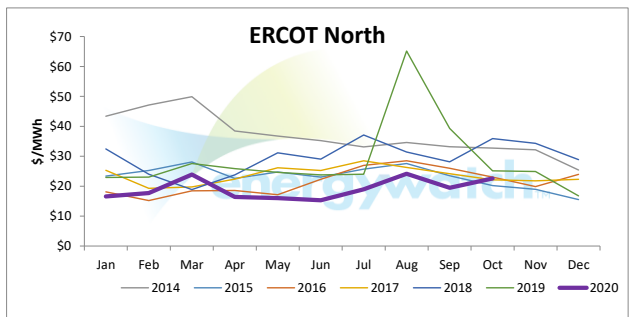
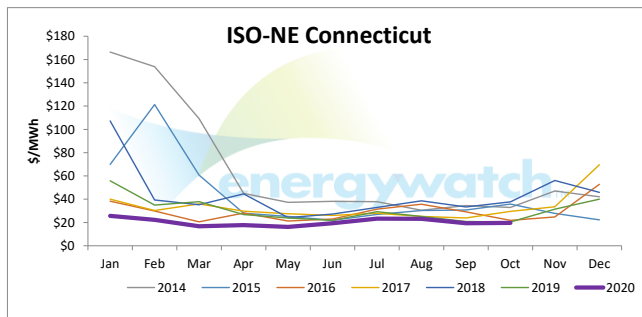
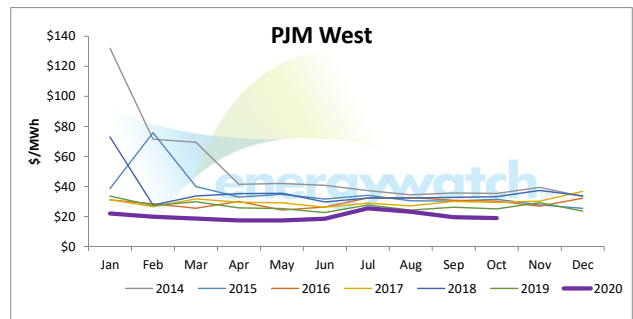
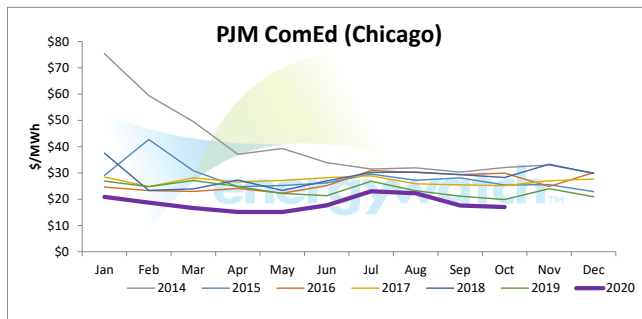
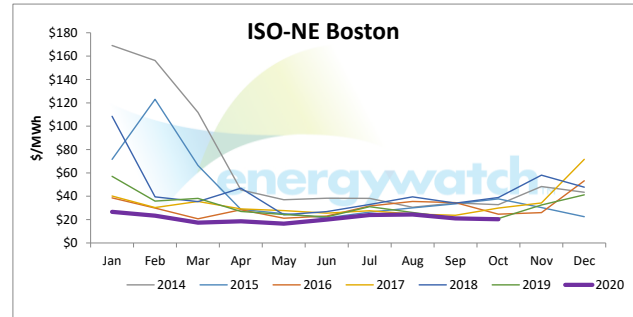
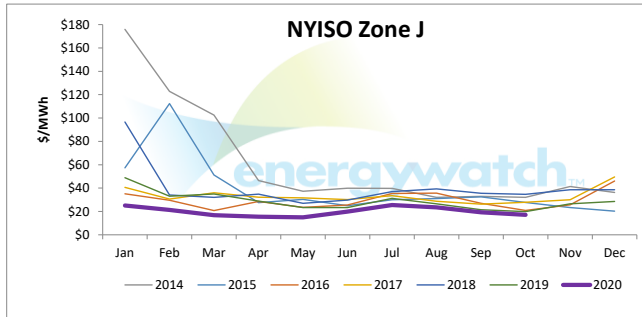


	Avg. Temp	Past 10 Weeks	Departure From Normal	CDD	HDD
Boston	61		6	0	4
Chicago	63		10	0	2
Columbus	59		4	0	6
Dallas	74		6	9	0
Denver	60		9	0	5
Detroit	54		3	0	11
Hartford	58		0	0	7
Houston	75		3	10	0
Indianapolis	63		7	0	2
Las Vegas	81		10	16	0
Los Angeles	75		9	10	0
Miami	83		2	18	0
Minneapolis	53		3	0	12
New York City	63		4	0	2
Philadelphia	61		3	0	4
Phoenix	84		6	19	0
Salt Lake City	58		4	0	7
San Diego	75		8	10	0
San Francisco	75		12	10	0
Seattle	57		4	0	8
St. Louis	68		9	3	0
Washington D.C.	59		3	0	6



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## 2014 - 2020 YTD Locational Marginal Pricing (LMPs)



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