

Market Commentary

Week of February 5, 2021

Natural gas propelled higher on expected polar outbreak.

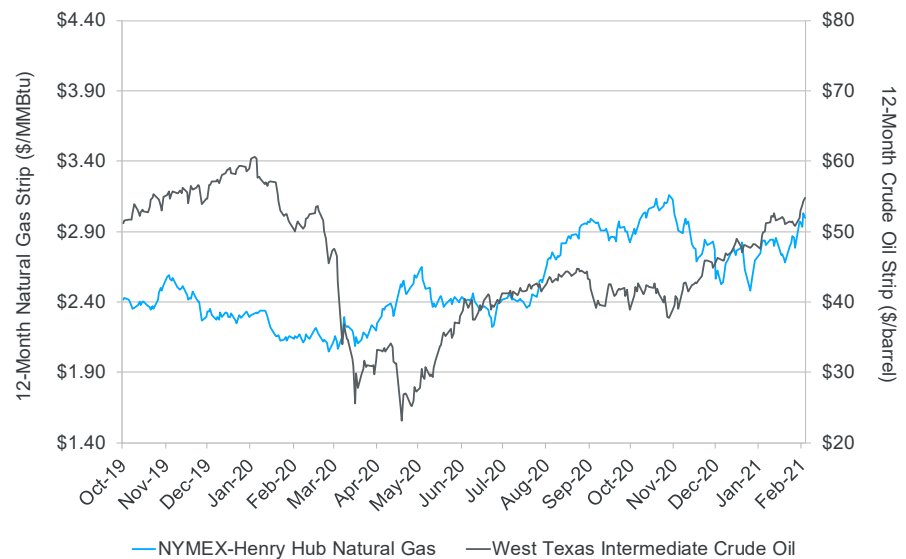
Electric and Natural Gas Market Drivers

Bullish – Market influences driving prices higher:

- ▲ Weather Forecast
- ▲ Crude Oil Market
- ▲ Economics
- ▲ Natural Gas Storage Report
- ▲ Natural Gas Production
- ▲ U.S. Dollar Value
- ▲ Geopolitics

Bearish – Market influences driving prices lower:

Natural Gas & Crude Oil 12-Month Strip Prices



Monday 2/1

The Mar-2021 NYMEX natural gas contract soared 28.6 cents higher to \$2.850 per MMBtu after weekend weather forecasts turned bullish for elevated heating demand in the coming 6 to 14 day period. The Mar-2021 WTI crude oil contract bounced \$1.35 higher to \$53.55 per barrel after a major investment firm said they expected oil demand to rebound to pre-pandemic levels of 100 million bpd in August. Equity markets pushed higher ahead of a heavy week of corporate earnings and as the recent day-trading frenzy moved to the silver market.

Tuesday 2/2

Natural gas eased 0.5 cents lower to \$2.845 despite expectations of stronger heating demand as a polar outbreak was forecast to bring extremely cold temperatures

to much of the Midwest and Northeast in the coming week. Crude advanced \$1.21 to \$54.76 as OPEC output in January increased by only about two-thirds of planned due to offsets in production outages in Libya and Nigeria. Stocks rallied on the day ahead of Q4 earnings from a pair of tech giants.

Wednesday 2/3

The cost of gas declined 5.6 cents to \$2.789 ahead of Thursday's storage report, which was expected to show a large withdrawal around 195 Bcf. Oil gained another 93 cents to close at \$55.69 after the EIA reported a 1.0-Million-barrel dip in oil inventories. Equities continued to push higher following solid earnings results from the tech sector and better-than-expected economic data.

Thursday 2/4

Natural gas settled 14.6 cents higher at \$2.935 after the EIA reported a large 192 Bcf withdrawal from storage that narrowed the surplus to the 5-year average to 198 Bcf. Crude oil climbed 54 cents higher to \$56.23 after OPEC and its producing allies agreed to maintain the reduced output policy during their recent meeting. Equity markets stretched toward record highs on another round of upbeat corporate earnings reports and lower-than-expected weekly jobless claims.

Friday 2/5

Natural gas gave up early session gains and eventually finished the day 7.2 cents lower at \$2.863 as weather models forecast some moderation in the weekend forecast. Crude locked in a fifth consecutive day in the green as traders grew more confident OPEC and their producing allies were committed to maintaining output cuts. The Mar-2021 WTI contract settled 62 cents higher at \$56.85. Equities landed in positive territory despite a weak monthly jobs report that showed 49,000 jobs were created during January.

Looking Ahead

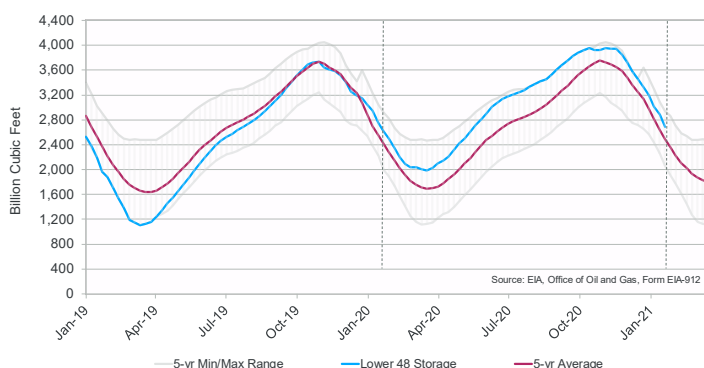
Natural gas will continue to find support as cold temperatures are forecast for much of the country into late-February.

Storage and Inventory

	Last Week Comparison			Historical Comparison			
	1/29/2021	1/22/2021	Change (incr/decr)	Same Period Last Year (1/29/2020)	Stocks over/under Last Year	Same Period 5-Year Ave. (2016-2020)	Stocks over/under 5-Yr Avg.
Natural Gas in Storage (Bcf)	2,689	2,881	-192.0 ▼ -6.7%	2,648	41.0	2,491	198.0
Crude Oil Inventories (mbpd)	475.7	476.7	-1.0 ▼ -0.2%	435.0	40.7	n/a	n/a

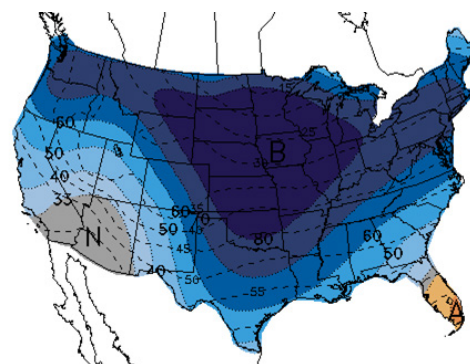
Working Gas in Underground Storage January 29, 2021

Note: The shaded area represents the range between the maximum and minimum values over the past 5 years. The blue line is the historic current level for the date on the x axis and the purple line is the 5-year average.



6-10 Day Weather Forecast February 7, 2021

The short-term weather forecast is calling for below-normal temperatures to spread throughout a majority of the nation, with a pocket of above-normal temperatures in Florida.



Natural Gas

UNITED STATES		Current				Historical Comparison (US\$/MMBtu)		
NYMEX Contract:		2/5/2021	Last Week 1/29/2021	Last Month 1/5/2021	Last Year 2/5/2020			
Henry Hub Spot		\$3.490	▲ 30.22%	▲ 25.99%	▲ 84.66%			
Prompt Month: March 2021		\$2.863	▲ 11.66%	▲ 5.96%	▲ 53.84%			
12 Mth Strip (Mar21-Feb22)		\$2.997	▲ 7.57%	▲ 5.79%	▲ 39.59%			
Summer Strip (Apr21-Oct21)		\$2.928	▲ 7.98%	▲ 4.91%	▲ 44.25%			
Winter Strip (Nov21-Mar22)		\$3.118	▲ 5.75%	▲ 3.69%	▲ 28.80%			
Next Summer Strip (Apr22-Oct22)		\$2.527	▲ 1.33%	▲ 1.39%	▲ 13.61%			
Cal '23 (Jan23-Dec23)		\$2.519	▼ -0.90%	▲ 1.51%	▲ 4.21%			

CANADA *Pricing in Canadian Dollars.		Current				Historical Comparison *(CAD\$/GJ)		
AECO:		2/5/2021	Last Week 1/29/2021	Last Month 1/5/2021	Last Year 2/5/2020			
Spot Price		\$2.928	▲ 14.85%	▲ 18.71%	▲ 46.46%			
Prompt Month: March 2021		\$2.447	▲ 13.66%	▲ 12.35%	▲ 81.40%			
12 Mth Strip (Mar21-Feb22)		\$2.299	▲ 6.92%	▲ 10.34%	▲ 67.95%			

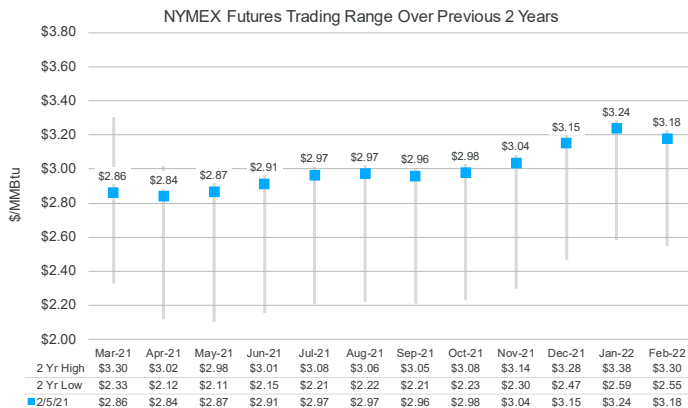
Electricity

UNITED STATES	Current	Historical Comparison (US\$/MWh)			
Wholesale Electricity Prices:	2/5/2021	Last Week 1/29/2021	Last Month 1/5/2021	Last Year 2/5/2020	
ERCOT (Hub Avg.) - ATC					
Monthly Real-Time Avg: February 2021	\$19.05	▼ -10.68%	▲ 15.96%	▲ 22.43%	
Prompt Month: March 2021	\$23.58	▲ 5.65%	▲ 5.59%	▲ 26.99%	
12 Mth Strip (Mar21-Feb22)	\$29.42	▲ 2.51%	▲ 4.03%	▼ -5.57%	
NY ISO (Zone J) - ATC					
Monthly Real-Time Avg: February 2021	\$49.61	▲ 43.86%	▲ 70.31%	▲ 156.55%	
Prompt Month: March 2021	\$35.53	▲ 24.36%	▼ -9.57%	▲ 46.82%	
12 Mth Strip (Mar21-Feb22)	\$35.31	▲ 13.00%	▲ 12.54%	▲ 23.08%	
PJM (Western Hub) - ATC					
Monthly Real-Time Avg: February 2021	\$28.49	▲ 15.05%	▲ 7.11%	▲ 70.99%	
Prompt Month: March 2021	\$26.85	▲ 4.92%	▼ -8.21%	▲ 13.24%	
12 Mth Strip (Mar21-Feb22)	\$28.49	▲ 4.99%	▲ 4.01%	▲ 9.16%	
ISO-NE (SE MASS) - ATC					
Monthly Real-Time Avg: February 2021	\$100.98	▲ 148.90%	▲ 208.45%	▲ 402.79%	
Prompt Month: March 2021	\$43.63	▲ 29.27%	▼ -9.10%	▲ 55.16%	
12 Mth Strip (Mar21-Feb22)	\$39.19	▲ 11.46%	▲ 14.91%	▲ 20.67%	
MISO (Indiana Hub) - ATC					
Monthly Real-Time Avg: February 2021	\$26.33	▲ 1.62%	▲ 15.20%	▲ 41.49%	
Prompt Month: March 2021	\$26.94	▲ 6.78%	▼ -3.02%	▲ 8.37%	
12 Mth Strip (Mar21-Feb22)	\$28.91	▲ 4.39%	▲ 1.93%	▲ 13.44%	
PG&E (NP15 West) - ATC					
Monthly Real-Time Avg: February 2021	\$26.88	▼ -10.49%	▲ 1.53%	▼ -10.58%	
Prompt Month: March 2021	\$32.36	▲ 3.82%	▼ -13.50%	▲ 22.72%	
12 Mth Strip (Mar21-Feb22)	\$41.24	▲ 0.64%	▲ 2.29%	▲ 21.32%	
CANADA *Pricing in Canadian Dollars.	Current	Historical Comparison *(CAD\$/MWh)			
Wholesale Electricity Prices:	2/5/2021	Last Week 1/29/2021	Last Month 1/5/2021	Last Year 2/5/2020	
AESO (Ave.) - ATC					
Rolling 30-Day Average	\$80.93	▲ 10.28%	▲ 103.10%	▼ -33.91%	
IESO (Ave.) - ATC					
Rolling 30-Day Average HOEP	\$16.59	▼ -0.82%	▲ 2.26%	▲ 9.05%	

Trend Analysis

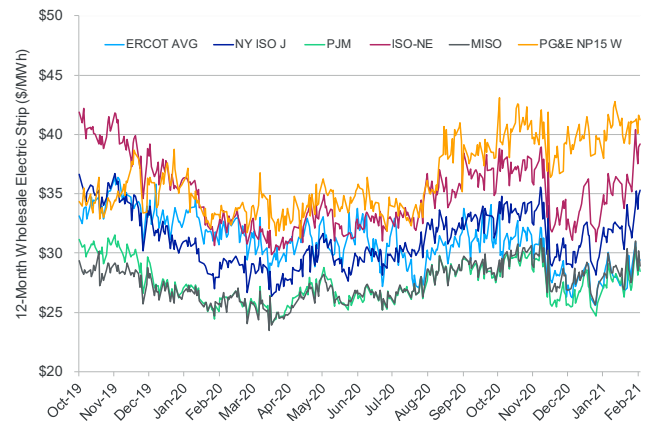
NYMEX Futures Trading Range

This graph represents the futures trading range of each NYMEX natural gas contract over the past two years. The high and the low for each month have been provided below, along with the current forward prices as of the market close on Feb. 5, 2021.



Electric ATC 12 Month Rolling Strips

This graph shows the historic trading range of the electric around-the-clock (ATC) 12-month rolling strip by Independent System Operator (ISO) region as of the market close on Feb. 5, 2021.



12-Month Rolling Strip

This chart presents the correlation between NYMEX natural gas and electricity's 12-month rolling forward pricing over the past two years.

12-Month Rolling Strip	ERCOT HZ	NY ISO J	PJM	ISO-NE	MISO	PG&E NP15
NYMEX Correlation	13.4%	53.5%	59.1%	48.4%	78.0%	80.3%

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