

## Market Commentary

### Week of April 30, 2021

Natural gas advances on strong export demand and production declines.

### Electric and Natural Gas Market Drivers

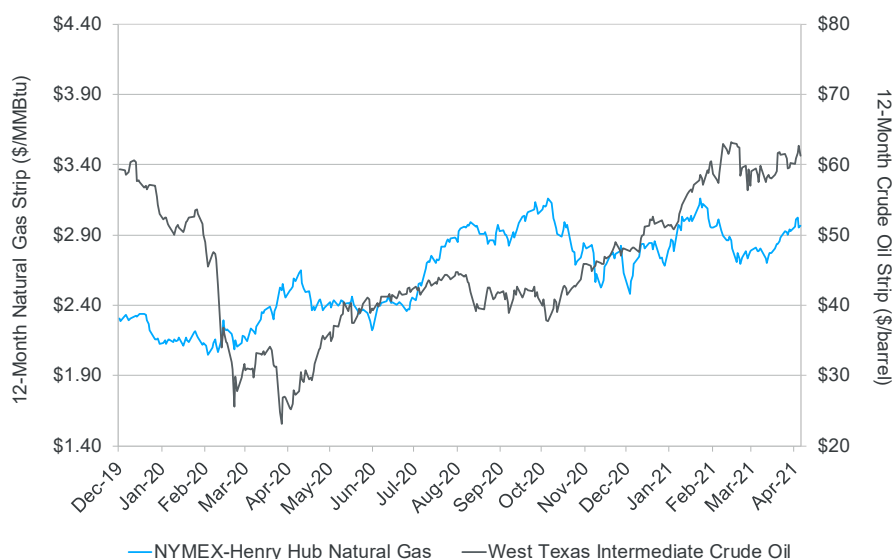
Bullish – Market influences driving prices higher:

- ▲ Natural Gas Storage Report
- ▲ Natural Gas Production
- ▲ Crude Oil Market
- ▲ Geopolitics

Bearish – Market influences driving prices lower:

- ▼ U.S. Dollar Value
- ▼ Weather Forecast
- ▼ Economics

Natural Gas & Crude Oil 12-Month Strip Prices



#### Monday 4/26

The May-2021 NYMEX natural gas contract gained 6.0 cents to \$2.790 per MMBtu as the prior week's late-season chill was expected to lead to a historically small storage injection. The Jun-2021 WTI crude oil contract dipped 23 cents lower to \$62.94 per barrel as climbing COVID-19 cases in India, the world's third largest oil importer, raised concerns over a potential dent in demand. Equity markets traded in a mixed fashion as investors looked ahead to a busy week of first quarter corporate earnings releases during the week.

#### Tuesday 4/27

Natural gas pressed 8.3 cents higher to \$2.873 due to near full capacity feed gas demand from LNG export facilities and record cross-border pipeline exports to Mexico. Crude oil jumped \$1.03

higher to \$62.94 ahead of a production meeting between OPEC and its allies later in the week. Stocks were steady as investors looked ahead to the Fed's economic assessment Wednesday and the release of some big tech earnings.

#### Wednesday 4/28

The May-2021 NYMEX natural gas contract closed and expired 5.2 cents higher at \$2.925 on lower production and ahead of Thursday's storage report, which was expected to show a small build that would compare to the 5-year average 67 Bcf build. Crude advanced 92 cents to settle at \$63.86 after the EIA reported a marginal 0.1-Million-barrel increase in oil inventories. Stocks lost ground as investors digested Fed Chair Jerome Powell's press conference on the economy.

#### Thursday 4/29

The new prompt Jun-2021 NYMEX natural gas contract shed 4.9 cents to \$2.911 even after the EIA reported a lower-than-expected 15 Bcf build in storage, which flipped the surplus to the 5-year average back to a 40 Bcf deficit. Crude oil pushed \$1.15 higher to \$65.01 as strong U.S. economic data outweighed rising COVID-19 concerns in Brazil and India. Equities surged with support from an upbeat first quarter GDP report, which showed the economy was off just 1% from its peak in late-2019.

#### Friday 4/30

Natural gas rebounded 2.0 cents to \$2.931 with support from strong export demand and maintenance-related production declines. Oil backed away from a 6-week high following weak crude import data out of Japan and on escalating concerns over fuel demand in India. The front month contract fell \$1.43 to end the week at \$63.58. Equity markets retreated late in the session on concerns over global supply chain disruptions.

#### Looking Ahead

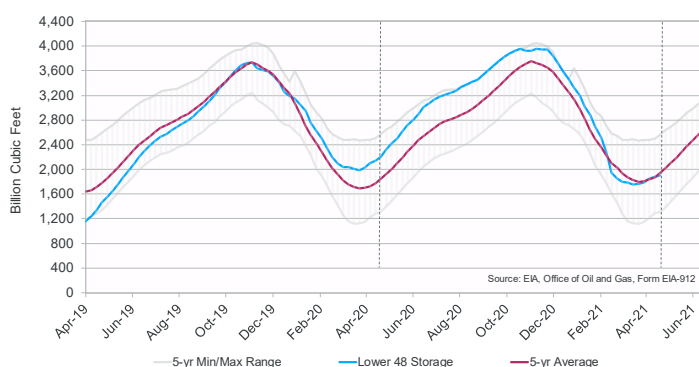
Natural gas traders will look for summer weather forecasts to come out to gauge power sector demand.

# Storage and Inventory

	Last Week Comparison					Historical Comparison			
	4/23/2021	4/16/2021	Change (incr/decr)			Same Period Last Year (4/23/2020)	Stocks over/ under Last Year	Same Period 5-Year Ave. (2016-2020)	Stocks over/ under 5-Yr Avg.
Natural Gas in Storage (Bcf)	1,898	1,883	15.0	▲	0.8%	2,200	-302.0	1,938	-40.0
Crude Oil Inventories (mbpd)	493.1	493.0	0.1	▲	0.0%	527.6	-34.5	n/a	n/a

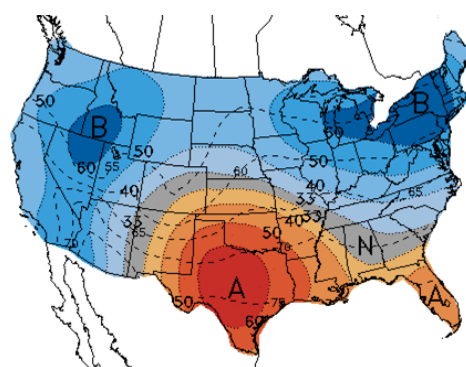
## Working Gas in Underground Storage April 23, 2021

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 May 2, 2021

The short-term weather forecast is calling for below-normal temperatures to cover the East, North, and West, with above-normal temperatures in the South Central and along the Gulf Coast.



# Natural Gas

UNITED STATES		Current				Historical Comparison (US\$/MMBtu)			
NYMEX Contract:		4/30/2021	Last Week 4/23/2021			Last Month 3/30/2021		Last Year 4/30/2020	
Henry Hub Spot		\$2.860	▲	2.51%	▲	12.16%	▲	75.46%	
Prompt Month: June 2021		\$2.931	▲	7.36%	▲	11.74%	▲	50.38%	
12 Mth Strip (Jun21-May22)		\$2.967	▲	1.37%	▲	6.57%	▲	14.47%	
Summer Strip (Jun21-Oct21)		\$2.971	▲	2.96%	▲	8.63%	▲	33.26%	
Winter Strip (Nov21-Mar22)		\$3.129	▲	1.47%	▲	7.00%	▲	6.01%	
Next Summer Strip (Apr22-Oct22)		\$2.569	▲	0.93%	▲	3.26%	▼	-2.57%	
Cal '23 (Jan23-Dec23)		\$2.585	▲	0.15%	▲	2.15%	▲	6.14%	

CANADA *Pricing in Canadian Dollars.		Current				Historical Comparison *(CAD\$/GJ)			
AECO:		4/30/2021	Last Week 4/23/2021			Last Month 3/30/2021		Last Year 4/30/2020	
Spot Price		\$2.615	▲	4.06%	▼	-5.79%	▲	49.08%	
Prompt Month: June 2021		\$2.393	▲	7.99%	▲	15.22%	▲	51.86%	
12 Mth Strip (Jun21-May22)		\$2.355	▲	1.47%	▲	10.27%	▲	26.59%	

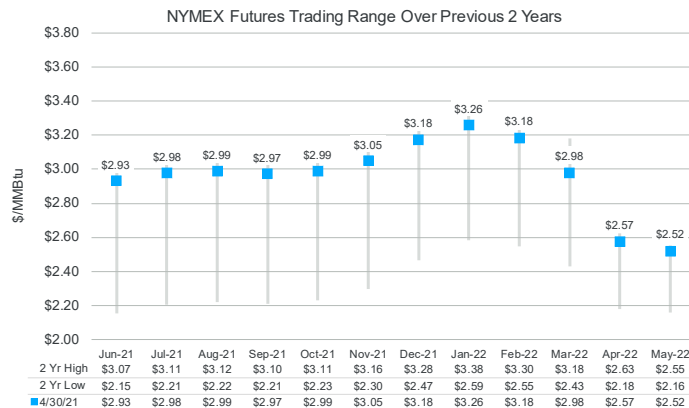
# Electricity

UNITED STATES	Current	Historical Comparison (US\$/MWh)			
Wholesale Electricity Prices:	4/30/2021	Last Week 4/23/2021	Last Month 3/30/2021	Last Year 4/30/2020	
ERCOT (Hub Avg.) - ATC					
Monthly Real-Time Avg: April 2021	\$45.26	▼ -4.83%	▲ 135.24%	▲ 181.11%	
Prompt Month: May 2021	\$30.81	▲ 6.02%	▲ 19.27%	▲ 31.16%	
12 Mth Strip (May21-Apr22)	\$32.86	▲ 1.74%	▲ 5.73%	▲ 5.99%	
NY ISO (Zone J) - ATC					
Monthly Real-Time Avg: April 2021	\$25.33	▲ 0.98%	▼ -13.86%	▲ 70.31%	
Prompt Month: May 2021	\$23.38	▼ -4.06%	▼ -7.07%	▲ 42.74%	
12 Mth Strip (May21-Apr22)	\$36.95	▼ -0.80%	▲ 5.08%	▲ 23.84%	
PJM (Western Hub) - ATC					
Monthly Real-Time Avg: April 2021	\$24.91	▲ 0.23%	▼ -2.31%	▲ 42.73%	
Prompt Month: May 2021	\$24.29	▼ -6.07%	▼ -5.34%	▲ 41.14%	
12 Mth Strip (May21-Apr22)	\$29.64	▼ -2.67%	▲ 3.89%	▲ 10.85%	
ISO-NE (SE MASS) - ATC					
Monthly Real-Time Avg: April 2021	\$26.19	▼ -1.67%	▼ -23.86%	▲ 42.97%	
Prompt Month: May 2021	\$24.17	▼ -3.93%	▼ -8.06%	▲ 39.23%	
12 Mth Strip (May21-Apr22)	\$40.98	▼ -1.30%	▲ 8.49%	▲ 24.57%	
MISO (Indiana Hub) - ATC					
Monthly Real-Time Avg: April 2021	\$30.05	▼ -0.55%	▲ 27.99%	▲ 47.52%	
Prompt Month: May 2021	\$25.85	▼ -4.79%	▼ -0.35%	▲ 35.70%	
12 Mth Strip (May21-Apr22)	\$29.99	▼ -2.88%	▲ 3.75%	▲ 13.84%	
PG&E (NP15 West) - ATC					
Monthly Real-Time Avg: April 2021	\$32.56	▲ 1.41%	▲ 2.89%	▲ 65.91%	
Prompt Month: May 2021	\$36.46	▲ 1.90%	▲ 15.71%	▲ 85.08%	
12 Mth Strip (May21-Apr22)	\$52.59	▲ 2.34%	▲ 8.36%	▲ 53.93%	
CANADA *Pricing in Canadian Dollars.	Current	Historical Comparison *(CAD\$/MWh)			
Wholesale Electricity Prices:	4/30/2021	Last Week 4/23/2021	Last Month 3/30/2021	Last Year 4/30/2020	
AESO (Ave.) - ATC					
Rolling 30-Day Average	\$87.99	▼ -3.20%	▲ 29.38%	▲ 204.30%	
IESO (Ave.) - ATC					
Rolling 30-Day Average HOEP	\$8.53	▼ -31.50%	▼ -49.77%	▲ 47.27%	

# Trend Analysis

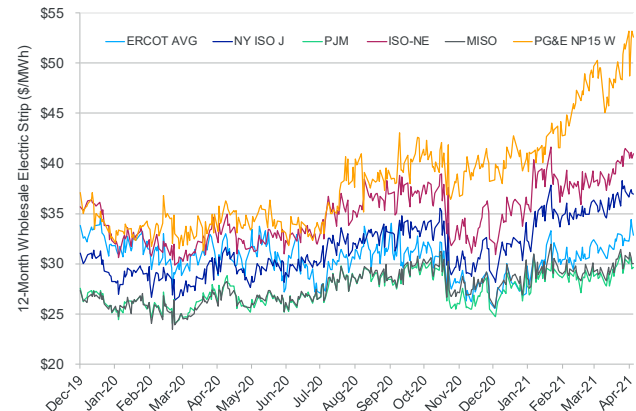
## NYMEX Futures Trading Range

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 April 30, 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 April 30, 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	-2.7%	47.8%	49.6%	39.2%	77.4%	73.6%

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