

## Market Commentary

### Week of January 14, 2022

Natural gas finds continued weather-related support.

#### Electric and Natural Gas Market Drivers

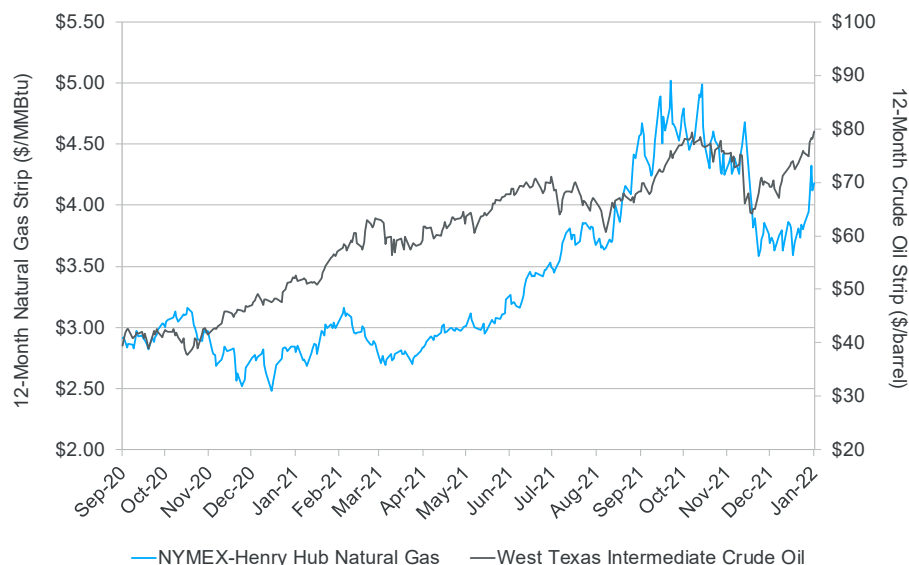
Bullish – Market influences driving prices higher:

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

Bearish – Market influences driving prices lower:

- ▼ U.S. Dollar
- ▼ Economics

Natural Gas & Crude Oil 12-Month Strip Prices



#### Monday 1/10

The Feb-2022 NYMEX natural gas contract pressed 16.3 cents higher to \$4.079 per MMBtu as weekend weather models called for a deep trough of chilly temperatures to descend into the central and eastern U.S. during the latter third of January. Equity markets retreated as rising government bond yields weighed on tech stocks. Crude oil stumbled on concerns higher interest rates could slow economic activity and reduce demand for the commodity. The Feb-2022 WTI crude oil contract settled 67 cents lower at \$78.23 per barrel.

#### Tuesday 1/11

Natural gas climbed 17.0 cents higher to \$4.249 as forecasts continued to call for a chilly second half of January, which would make it the coldest since the 2014

polar vortex. Crude bounced \$2.99 higher to \$81.22 after Libya's oil output suffered further setbacks after bad weather forced four terminals to temporarily close. Stocks rebounded after Fed Chair Powell laid out the central bank's plan to corral rising inflation and fix the supply chain.

#### Wednesday 1/12

Natural gas soared 60.8 cents higher to \$4.857 on a stronger demand outlook after the European weather model shifted decidedly colder for late-January. Crude pushed \$1.42 higher to close at \$82.64 after the EIA reported a 4.6-Million-barrel decline in domestic oil inventories. Equities traded in the green as investors prepared for the start of fourth quarter corporate earnings season the following week.

#### Thursday 1/13

Natural gas gave back 58.7 cents to settle at \$4.270 even after the EIA reported a 179 Bcf draw from storage, which was the largest of the season and narrowed the surplus to the 5-year average to 72 Bcf. The price of oil declined 52 cents to \$82.12 after Libyan output gradually recovered to about a million barrels a day after severe weather caused disruptions. Equity markets lost ground after the Bureau of Labor Statistics revealed annual wholesale inflation was at a record high.

#### Friday 1/14

Natural gas was marginally changed as forecasts continued to call for Arctic air to spill into the Midwest and Northeast toward the end of the month. The cost of front-month gas dipped 0.8 cents to finish the week at \$4.262. Oil jumped \$1.70 to \$83.82 as traders grew increasingly concerned tensions between Russia and the Ukraine could spread throughout the region. Equities suffered another round of losses after the Commerce Department reported a disappointing 1.9% decline in retail sales during December.

#### Looking Ahead

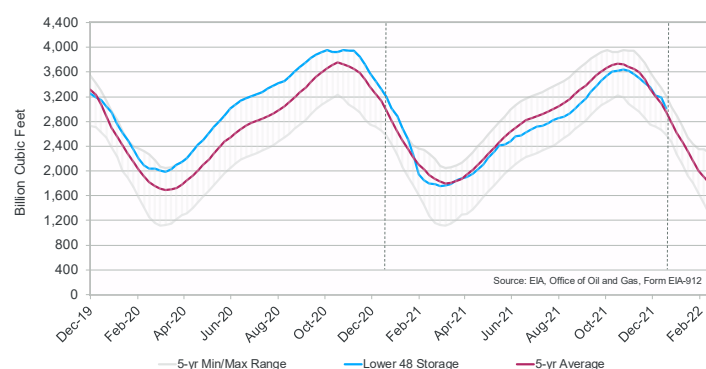
Natural gas prices will find continued support as long as cold weather is forecast for the major consuming regions.

# Storage and Inventory

	Last Week Comparison			Historical Comparison			
	1/7/2022	12/31/2021	Change (incr/decr)	Same Period Last Year (1/7/2021)	Stocks over/ under Last Year	Same Period 5-Year Ave. (2017-2021)	Stocks over/ under 5-Yr Avg.
Natural Gas in Storage (Bcf)	3,016	3,195	-179.0 ▼ -5.6%	3,215	-199.0	2,944	72.0
Crude Oil Inventories (mbpd)	413.3	417.9	-4.6 ▼ -1.1%	482.2	-68.9	n/a	n/a

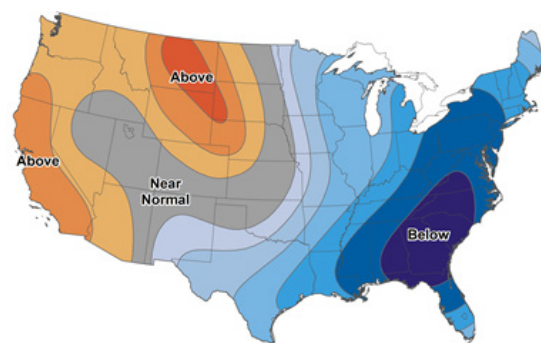
## Working Gas in Underground Storage January 7, 2022

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 January 16, 2022

The short-term weather forecast is calling for below-normal temperatures to cover much of the eastern half of the nation, with above-normal temperatures in the Mountain West and West.



# Natural Gas

UNITED STATES		Current				Historical Comparison (US\$/MMBtu)		
		1/14/2022	Last Week 1/7/2022	Last Month 12/14/2021	Last Year 1/14/2021			
NYMEX Contract:								
Henry Hub Spot		\$4.780	▲ 24.80%	▲ 28.84%	▲ 69.50%			
Prompt Month: February 2022		\$4.262	▲ 8.84%	▲ 13.74%	▲ 59.86%			
12 Mth Strip (Feb22-Jan23)		\$4.182	▲ 8.79%	▲ 13.24%	▲ 49.41%			
Winter Strip (Feb22-Mar22)		\$4.172	▲ 9.17%	▲ 13.79%	▲ 57.53%			
Summer Strip (Apr22-Oct22)		\$4.098	▲ 9.12%	▲ 12.70%	▲ 48.75%			
Next Winter Strip (Nov22-Mar23)		\$4.297	▲ 7.00%	▲ 10.13%	▲ 43.76%			
Cal '23 (Jan23-Dec23)		\$3.542	▲ 2.00%	▲ 5.05%	▲ 40.44%			

CANADA *Pricing in Canadian Dollars.		Current				Historical Comparison *(CAD\$/GJ)		
		1/14/2022	Last Week 1/7/2022	Last Month 12/14/2021	Last Year 1/14/2021			
AECO:								
Spot Price		\$4.226	▼ -1.14%	▲ 1.62%	▲ 67.52%			
Prompt Month: February 2022		\$3.726	▲ 9.87%	▲ 23.35%	▲ 62.93%			
12 Mth Strip (Feb22-Jan23)		\$3.072	▲ 13.50%	▲ 18.16%	▲ 42.68%			

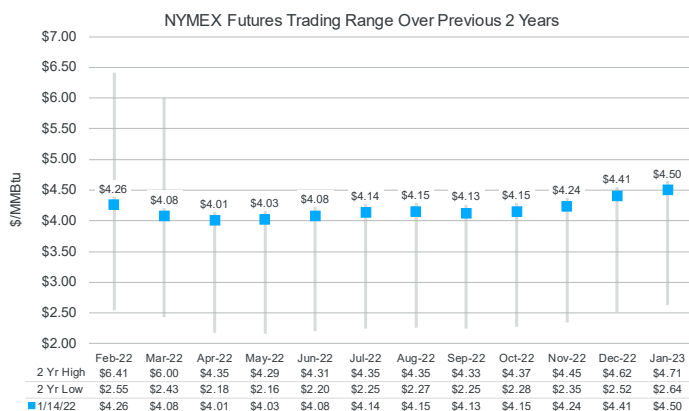
# Electricity

UNITED STATES	Current	Historical Comparison (US\$/MWh)			
Wholesale Electricity Prices:	1/14/2022	Last Week 1/7/2022	Last Month 12/14/2021	Last Year 1/14/2021	
ERCOT (Hub Avg.) - ATC					
Monthly Real-Time Avg: January 2022	\$27.22	▲ 0.92%	▲ 2.90%	▲ 36.57%	
Prompt Month: February 2022	\$54.16	▲ 20.18%	▲ 16.01%	▲ 142.67%	
12 Mth Strip (Feb22-Jan23)	\$45.89	▲ 10.91%	▲ 16.33%	▲ 64.04%	
NY ISO (Zone J) - ATC					
Monthly Real-Time Avg: January 2022	\$110.36	▲ 23.10%	▲ 142.70%	▲ 262.98%	
Prompt Month: February 2022	\$109.85	▲ 27.38%	▲ 16.81%	▲ 174.76%	
12 Mth Strip (Feb22-Jan23)	\$62.57	▲ 10.61%	▲ 14.62%	▲ 91.80%	
PJM (Western Hub) - ATC					
Monthly Real-Time Avg: January 2022	\$52.69	▲ 14.81%	▲ 16.29%	▲ 104.22%	
Prompt Month: February 2022	\$66.79	▲ 12.03%	▲ 6.68%	▲ 122.71%	
12 Mth Strip (Feb22-Jan23)	\$48.78	▲ 8.83%	▲ 11.07%	▲ 74.06%	
ISO-NE (SE MASS) - ATC					
Monthly Real-Time Avg: January 2022	\$117.45	▲ 27.85%	▲ 102.22%	▲ 240.10%	
Prompt Month: February 2022	\$145.59	▲ 0.19%	▼ -1.22%	▲ 175.32%	
12 Mth Strip (Feb22-Jan23)	\$75.17	▲ 4.03%	▲ 10.46%	▲ 107.56%	
MISO (Indiana Hub) - ATC					
Monthly Real-Time Avg: January 2022	\$50.46	▼ -0.38%	▲ 7.84%	▲ 99.73%	
Prompt Month: February 2022	\$60.46	▲ 3.55%	▼ -5.74%	▲ 114.93%	
12 Mth Strip (Feb22-Jan23)	\$48.74	▲ 7.45%	▲ 8.09%	▲ 69.05%	
PG&E (NP15 West) - ATC					
Monthly Real-Time Avg: January 2022	\$47.77	▼ -10.93%	▼ -8.41%	▲ 60.29%	
Prompt Month: February 2022	\$61.72	▲ 4.68%	▼ -3.02%	▲ 54.34%	
12 Mth Strip (Feb22-Jan23)	\$61.60	▲ 7.63%	▼ -2.84%	▲ 43.98%	
CANADA *Pricing in Canadian Dollars.	Current	Historical Comparison *(CAD\$/MWh)			
Wholesale Electricity Prices:	1/14/2022	Last Week 1/7/2022	Last Month 12/14/2021	Last Year 1/14/2021	
AESO (Ave.) - ATC					
Rolling 30-Day Average	\$137.88	▲ 1.37%	▲ 35.20%	▲ 237.27%	
IESO (Ave.) - ATC					
Rolling 30-Day Average HOEP	\$31.98	▲ 5.27%	▼ -19.55%	▲ 96.08%	

# Trend Analysis

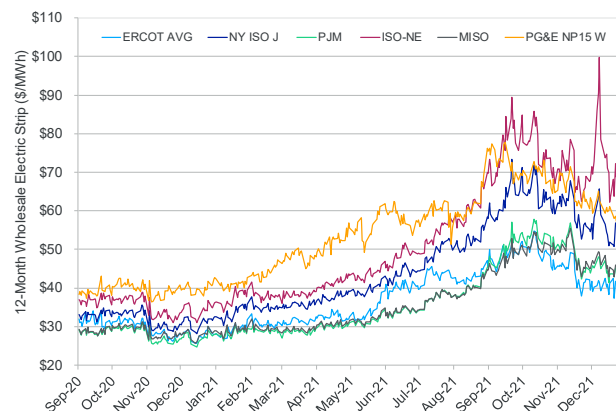
## NYMEX Futures Trading Range

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 Jan. 14, 2022.



## 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 Jan. 14, 2022.



## 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	92.0%	96.3%	95.0%	94.1%	95.1%	93.5%

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