

**Early Morning Update**

The Jul '21 natural gas contract is trading up \$0.01 at \$3.11. The Jul '21 crude oil contract is up \$0.68 at \$68.40.

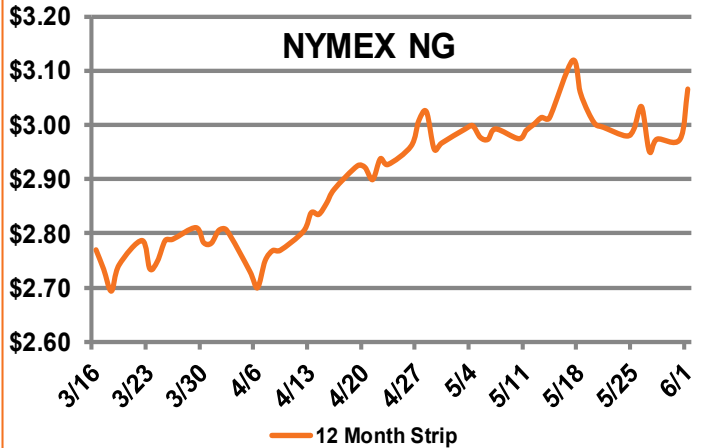
**Summary:** Yesterday's NYMEX trading session saw strong upward movement through the near term and stretching out through the next few calendar strips. The July prompt month contract gained almost 12 cents to close at \$3.104/MMBtu, while the 12-month strip added just over nine cents, as most of the upward momentum occurred in the summer months, with August and September also climbing 11.9 and 11.6 cents, respectively. Cal 2022 was not far behind as it added almost six cents to close at \$2.869, Cal 2023 moved up 2.4 cents to \$2.656, and Cal 2024 added 1.5 cents to \$2.629. With the sustained upward movement through the front of the curve yesterday, 2026 is now the low price on the board at \$2.618, losing half a penny yesterday, and all further out strips showed a consistent drop of 1-2 cents. A likely driver in yesterday's movement was the announcement that the Pipeline and Hazardous Materials Safety Administration was limiting north to south flows on the Texas Eastern line at the Danville compressor station in Kentucky by as much as 1.0 Bcf/d. This will limit the southbound flow of Northeast natural gas production to the Henry Hub and tighten the domestic supply and demand balance.

**Bullish Factors**

- Near-record LNG exports
- High exports to Mexico
- Storage deficits

**Bearish Factors**

- Coronavirus impacts on demand
- Strong production
- Milder weather

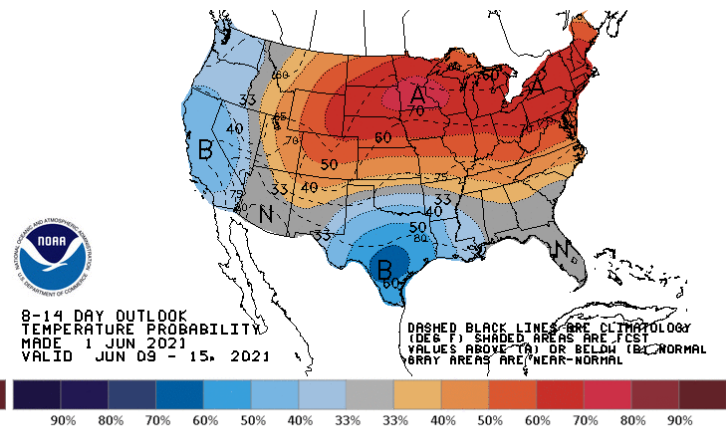
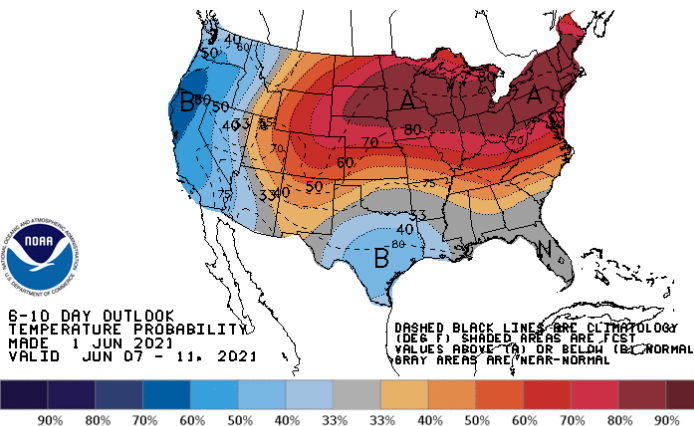
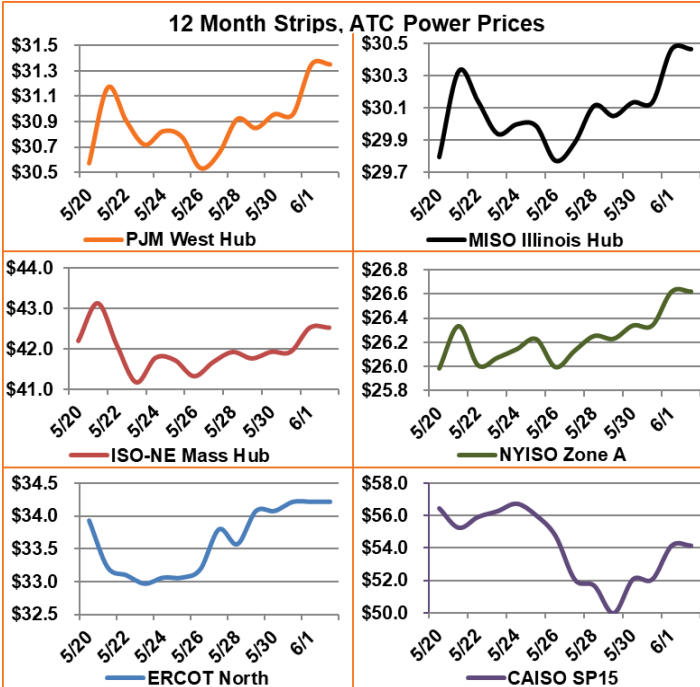


**Next Day On-Peak Power (traded for 6/2/2021)**

|                            |                             |                         |
|----------------------------|-----------------------------|-------------------------|
| ISO-NE Mass Hub<br>\$27.84 | MISO Indiana Hub<br>\$30.13 | NYISO Zone G<br>\$28.54 |
| PJM West Hub<br>\$27.55    | ERCOT North<br>\$28.43      | CAISO SP15<br>\$74.20   |
| <b>NYMEX NG</b>            | <b>Close</b>                | <b>Change</b>           |
| Jul-21                     | 3.104                       | 0.118                   |
| Aug-21                     | 3.126                       | 0.119                   |
| 12-Month                   | 3.066                       | 0.092                   |
| Cal 22                     | 2.869                       | 0.058                   |
| Cal 23                     | 2.656                       | 0.024                   |

**EIA Natural Gas Storage**

| EIA Reported Storage (Bcf) | This Week | Last Week | Last Year | 5-Year Avg. |
|----------------------------|-----------|-----------|-----------|-------------|
| Total                      | 2,215     | 2,100     | 2,596     | 2,278       |
| Diff v. Current            |           | 115       | -381      | -63         |
| % Diff                     |           |           | -14.7%    | -2.8%       |



90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%