

**Early Morning Update**

The Jun '21 natural gas contract is trading up \$0.01 at \$2.96. The Jun '21 crude oil contract is up \$0.72 at \$66.00.

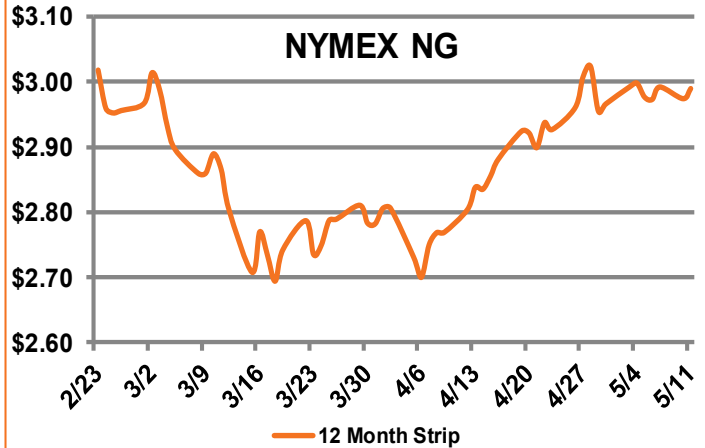
**Summary:** While the market maintains its bullish sentiment, we are seeing moderating temperatures through the end of the month that might provide some relief to demand. The NYMEX natural gas futures price for May has been flirting with \$3.00, and ticked up 2.3 cents on the day to settle at \$2.955/MMBtu. Direct Energy's final summer outlook will be released later this week, and focus will be on whether there are any significant changes for major cooling demand centers. The first issuance is calling for a slightly cooler summer than last year, which came in as the 3rd hottest nationally on record dating back to 1950. The best risk for warmth in the Northeast is forecast to be early on, and, if that holds true, could put even more upward pressure to near-term pricing. U.S. dry production remains low, hovering just over 90.0 Bcf/d, as maintenance season continues. Hopefully, this will pick up as we head into summer to alleviate some of the constraints we may otherwise see if early heat does arrive. Current storage levels remain at a deficit to the five-year average, sitting at 1,958 Bcf, with the 5-year average at 2,019 Bcf. Estimates for tomorrow's EIA storage report are a 70 Bcf injection, again lower than the 82 Bcf 5YA benchmark, adding to the deficit once again.

**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 5/12/2021)**

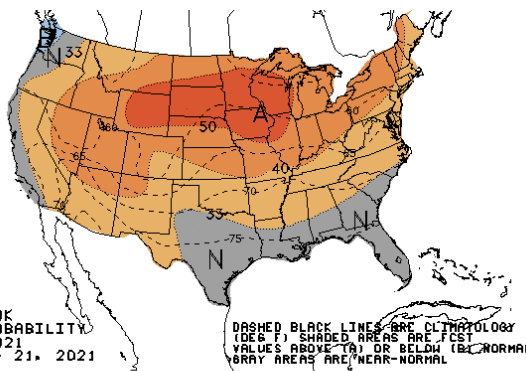
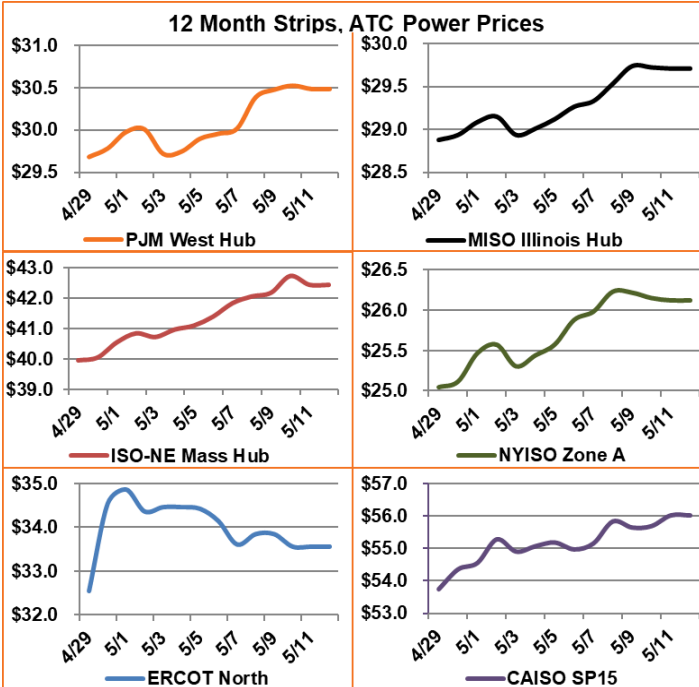
ISO-NE Mass Hub \$27.21	MISO Indiana Hub \$29.38	NYISO Zone G \$26.36
PJM West Hub \$28.29	ERCOT North \$29.00	CAISO SP15 \$36.72

**NYMEX NG**

	Close	Change
Jun-21	2.955	0.023
Jul-21	2.999	0.021
12-Month	2.990	0.015
Cal 22	2.771	0.001
Cal 23	2.599	-0.004

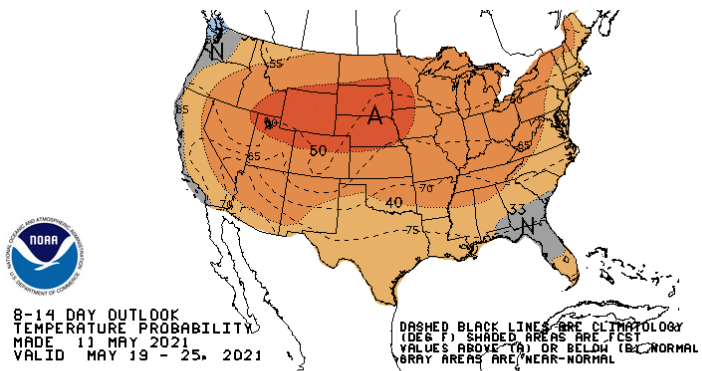
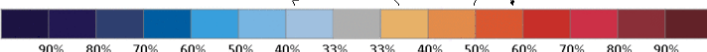
**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,958	1,898	2,303	2,019
Diff v. Current		60	-345	-61
% Diff			-15.0%	-3.0%



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 11 MAY 2021  
VALID MAY 17 - 21, 2021

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL



8-14 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 11 MAY 2021  
VALID MAY 19 - 25, 2021

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL

