

**Early Morning Update**

The Jun '21 natural gas contract is trading down \$0.02 at \$2.95. The Jun '21 crude oil contract is down \$1.48 at \$64.60.

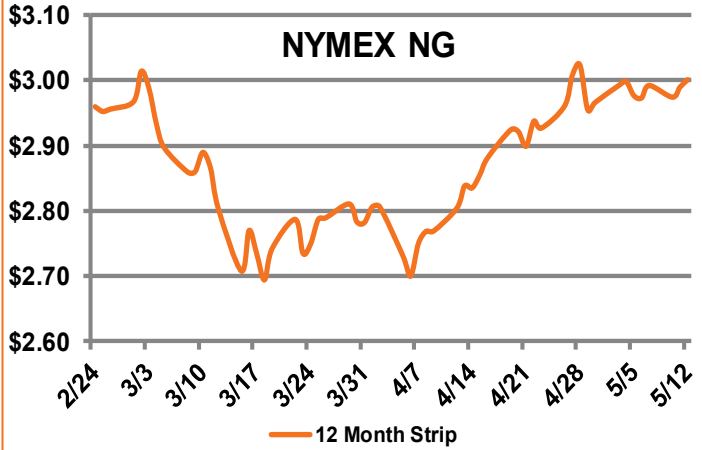
**Summary:** Lackluster day-over-day movement was felt in the NYMEX natural gas market yesterday. The prompt month closed out the day just a little over one penny higher at \$2.969, and future calendar strips '22 - '25 remained flat. There's been minimal change in the short-term weather forecast as the East is still trending cooler than normal for the duration of this week, and the West continues to forecast above-normal temperatures. Come next week, we begin to see the weather shift to mostly normal temps for a broad majority of the country to finish out the month. With the cooler temperatures that have been in place, residential heating demand has ticked up over the past week, and we will most likely see this continue through the rest of this week. The U.S. Energy Information Administration will be releasing their weekly storage report for the week ending May 7th today, and market participants are expecting an injection of around 70 Bcf to be reported. The past few storage injections have been actualizing well below the 5-year average benchmark, making it difficult to close the gap on the current deficit. Unless we see improvement to current storage levels, it's likely price support will grow for Q1 '22 natural gas due to storage concerns for next winter.

**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 5/13/2021)**

ISO-NE Mass Hub \$25.63	MISO Indiana Hub \$29.00	NYISO Zone G \$25.12
PJM West Hub \$30.00	ERCOT North \$27.65	CAISO SP15 \$32.00

NYMEX NG	Close	Change
Jun-21	2.969	0.014
Jul-21	3.018	0.019
12-Month	3.001	0.011
Cal 22	2.771	0.000
Cal 23	2.599	0.000

**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%

