

Early Morning Update

The Jun '21 natural gas contract is trading up \$0.03 at 3.00. The Jun '21 crude oil contract is up \$0.48 at \$64.30.

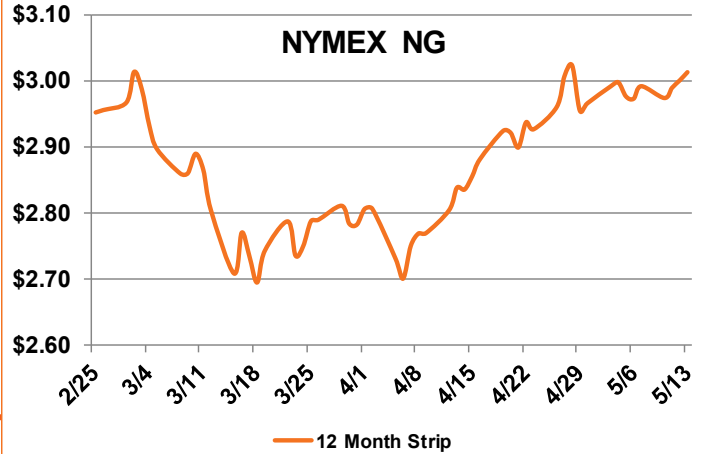
Summary: The current NYMEX natural gas market continues to remain flat due to moderate temperatures paired with the current season not being high demand nor having pressing concerns over supply. Current market prompt is opening today only \$0.007/MMBtu higher than the opening on Monday. The market has begun to see an overall decrease in demand as temperatures warm up and heating demand subsides, but exports of natural gases along with higher industrial demand have continued to surpass year-over-year levels. Due to continued maintenance on natural gas rigs, production has remained at 91Bcf/d contributing to the overall lower supply, and the smaller than desired storage levels. As a result, yesterday's injection of 71Bcf helped but unfortunately leaves storage at a whopping 378Bcf behind the 5 year average. This position has continued to put the balance of the year and H1 of 2022 in danger, explaining the heightened prices for those terms. Electric markets across the states have been reacting to this, especially within the midcontinent through the northeast as dependence for natural gas for electric generation increases.

Bullish Factors

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

Bearish Factors

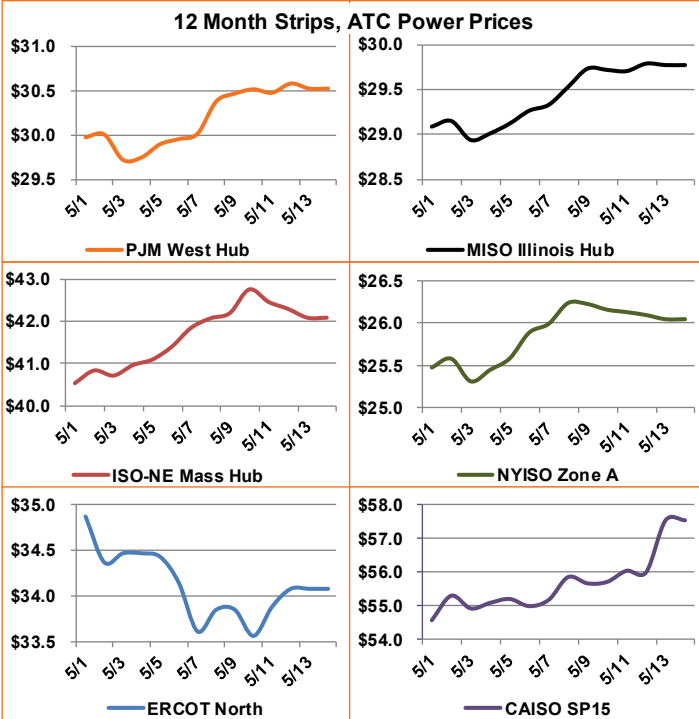
- Coronavirus impacts on demand
- Strong production
- Milder weather



Next Day On-Peak Power (traded for 5/14/2021)

ISO-NE Mass Hub \$25.50	MISO Indiana Hub \$27.68	NYISO Zone G \$25.37
PJM West Hub \$27.00	ERCOT North \$23.00	CAISO SP15 \$24.05

NYMEX NG	Close	Change
Jun-21	2.973	0.004
Jul-21	3.025	0.007
12-Month	3.014	0.012
Cal 22	2.779	0.008
Cal 23	2.599	0.000



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,029	1,958	2,407	2,101
Diff v. Current		71	-378	-72
% Diff			-15.7%	-3.4%

