

Early Morning Update

The Jun '21 natural gas contract is trading down \$0.03 at 2.98. The Jun '21 crude oil contract is down \$1.29 at \$64.20.

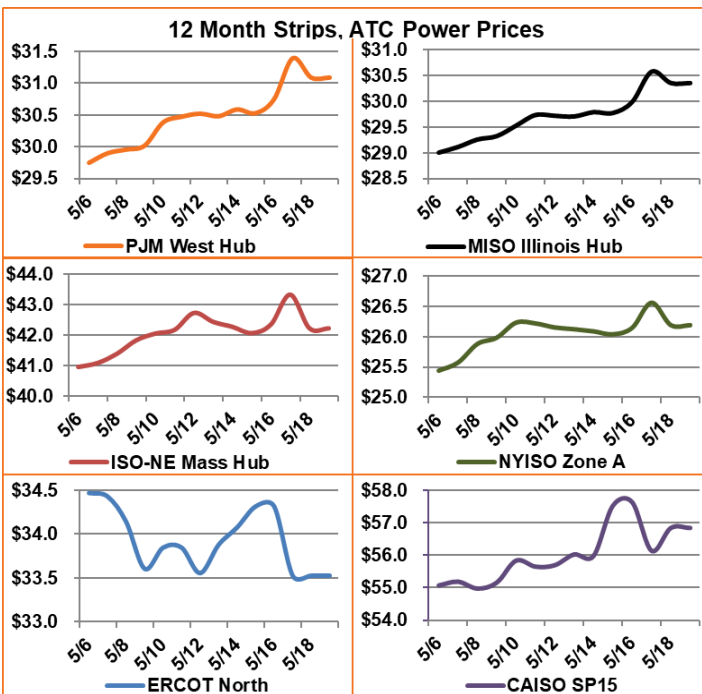
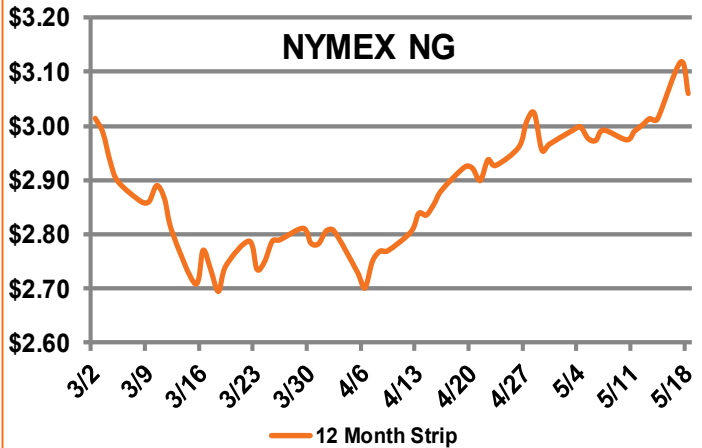
Summary: After the sharp upward movement to start the week on Monday, Tuesday's NYMEX natural gas trading session gave a large portion of those gains back as it traded down throughout the curve. The June prompt month contract dropped nearly ten cents to close just above the \$3 mark at \$3.01/MMBtu, and the twelve-month strip trailed behind, losing 5.8 cents. The forward calendar strips of 2022 through 2024 showed slight downward movement of around a penny, with the 2024 calendar strip remaining the lowest on the board at \$2.58. There was more downward movement beyond that with the 2025 strip moving down two cents, and 2026-2033 all shifting down around three cents. This puts the 2025 calendar strip, now at \$2.596, below the 2023 cal strip price and lessens the year-over-year premiums from 2024 on. The supply and demand fundamentals have remained fairly steady through the past week, with domestic production at just above 90 Bcf/d and U.S. demand down slightly from this time last week. While the industrial and residential/commercial demand sectors have trended down by a combined 5.0 Bcf/d, the power burn demand sector added just under 3.0 Bcf/d.

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 5/19/2021)

ISO-NE Mass Hub \$30.75	MISO Indiana Hub \$33.50	NYISO Zone G \$34.00	
PJM West Hub \$35.40	ERCOT North \$27.22	CAISO SP15 \$20.40	
NYMEX NG		Close	Change
Jun-21	3.012	-0.097	
Jul-21	3.078	-0.086	
12-Month	3.060	-0.058	
Cal 22	2.810	-0.016	
Cal 23	2.602	-0.007	

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%

