

Early Morning Update

The Jun '21 natural gas contract is trading down \$0.02 at \$2.91. The Jun '21 crude oil contract is down \$0.13 at \$63.45.

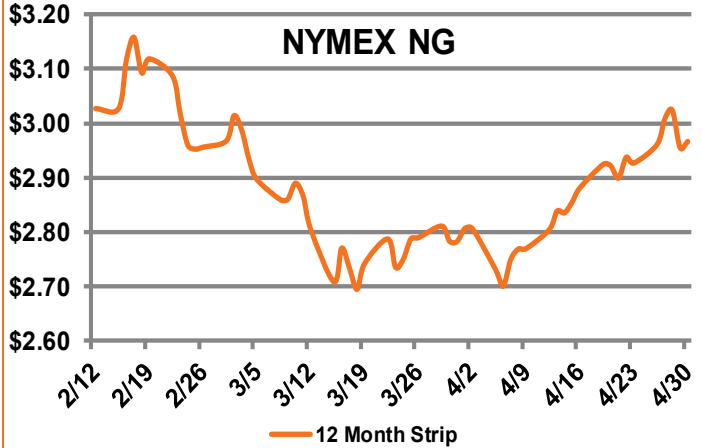
Summary: Last week, the May 2021 NYMEX natural gas contract rallied through its final days of trading as it neared its expiration date. It opened on Monday at \$2.730 and expired on Wednesday at \$2.925, for a whopping 19.5 cent rally. June 2021 debuted as the new prompt month contract, which bounced around a few pennies to close out the week at \$2.931. Most of the gains in the NYMEX NG futures market are still favoring the front end of the curve. Last week's price movements include Q3-21, Q4-21, and Q1-22, which gained 8.2, 5.6, and 4.2 cents, respectively, while the calendar year strips for 2022, 2023, and 2024 gained 2.6 cents, 0.4 cents, and 1.2 cents, respectively. Production of natural gas had been a little sluggish over the past two weeks, as some regions were reporting pipeline maintenance. However, that trend may be reversing. Overall, production in April of 2021 was 0.5 Bcf/day lower than April 2020. Demand from the residential/commercial sector slid last week as temperatures moderated, which is likely to be the case again as we start the first week of May without much heating demand on the horizon. On the storage front, the EIA announced a 15 Bcf injection into storage on Thursday for the week ending April 23rd. This was very close to the consensus estimate, but still rather bearish when compared to last year and the 5-year average, which are both withdrawals from storage in the 60s. Still, the market shrugged off the bearish storage news and posted gains again on Friday.

Bullish Factors

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

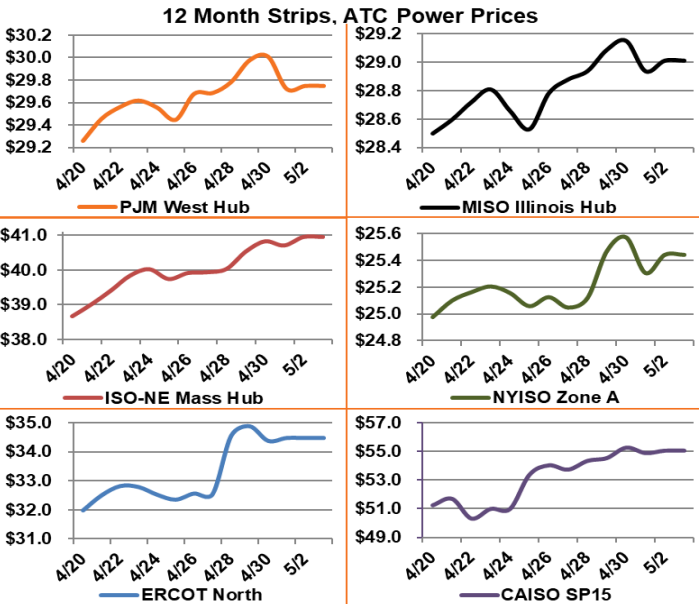
Bearish Factors

- Coronavirus impacts on demand
- Strong production
- Milder weather



Next Day On-Peak Power (traded for 5/3/2021)

ISO-NE Mass Hub \$27.00	MISO Indiana Hub \$32.77	NYISO Zone G \$30.84
PJM West Hub \$31.13	ERCOT North \$40.82	CAISO SP15 \$28.43
NYMEX NG	Close	Change
Jun-21	2.931	0.020
Jul-21	2.978	0.017
12-Month	2.967	0.011
Cal 22	2.740	0.001
Cal 23	2.585	0.005



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,898	1,883	2,200	1,938
Diff v. Current		15	-302	-40
% Diff			-13.7%	-2.1%

