

Early Morning Update

The Jun '21 natural gas contract is trading down \$0.01 at \$2.96. The Jun '21 crude oil contract is up \$0.81 at \$66.50.

Summary: There was very little day-over-day change following yesterday's NYMEX trading session as the June 2021 prompt month contract closed up just one tenth of a cent to \$2.976/MMBtu. This is despite it trading in a seven-cent range during the day and, at one point, cresting above the \$3 mark. The 12-month strip showed similar, minimal change, gaining just over half a penny. The 2022 calendar strip moved the most from Monday, gaining 1.5 cents to move to \$2.766, while all other forward calendar strips on the board moved up just under a penny. The 2024 calendar strip dropped below 2023 to be the lowest priced forward strip at \$2.596, but essentially flat with 2023 at \$2.597. On the fundamentals side, natural gas production has been largely holding in the 90-91 Bcf/d range for about a month now, with the 10-day average at 90.8 Bf/d and yesterday coming in at 90.3 Bcf/d. U.S. demand is about 8.0 Bcf/d higher than the recent low point set last Sunday, which was the lowest demand day so far this year. The sector showing the largest gain since then is residential and commercial demand, likely reacting to cooler temps through the midcontinent and northeast region.

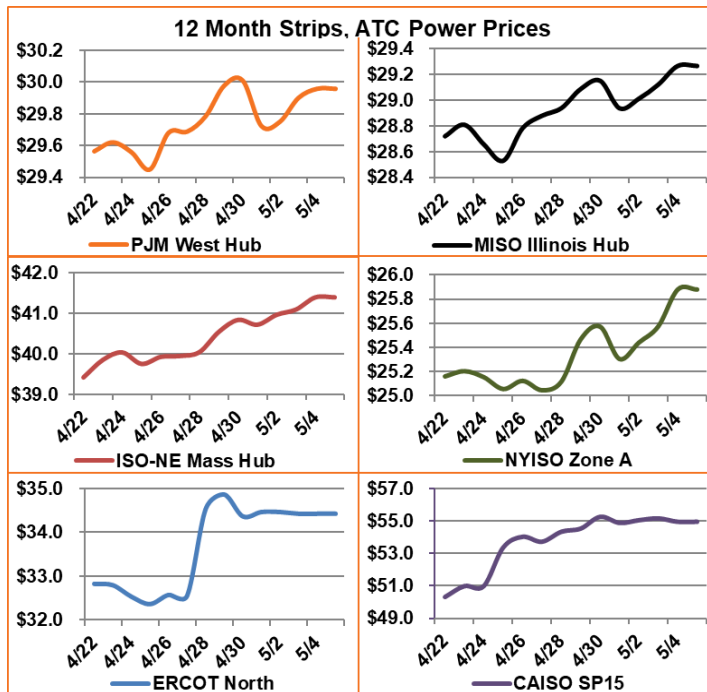
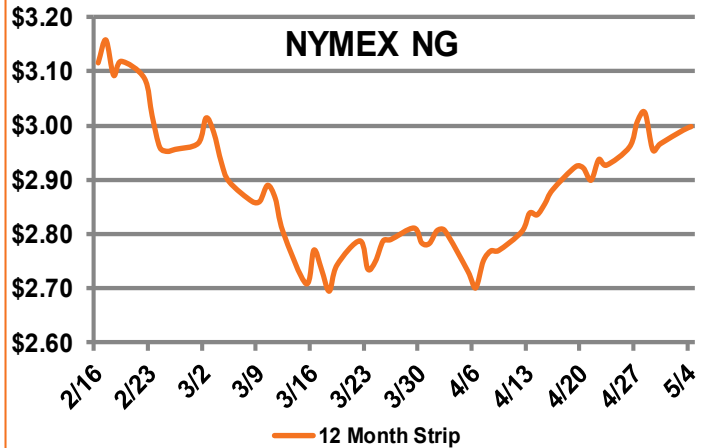
Happy Cinco de Mayo!

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 5/5/2021)

ISO-NE Mass Hub \$29.50	MISO Indiana Hub \$34.80	NYISO Zone G \$30.94
PJM West Hub \$33.54	ERCOT North \$26.63	CAISO SP15 \$41.10

NYMEX NG	Close	Change
Jun-21	2.967	0.001
Jul-21	3.012	-0.002
12-Month	2.998	0.006
Cal 22	2.766	0.015
Cal 23	2.597	0.009

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%

