

Early Morning Update

The Jun '21 natural gas contract is trading down \$0.01 at \$2.93. The Jun '21 crude oil contract is down \$0.58 at \$65.05.

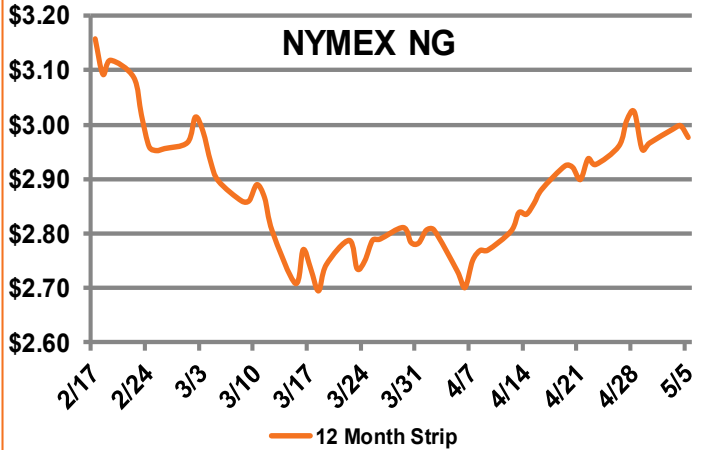
Summary: The ongoing natural gas rally rested during yesterday's trading session, as short-term forward prices weakened slightly before today's potentially bearish storage report. The prompt month contract settled at \$2.938/MMBtu on Wednesday, losing \$0.029/MMBtu. The July through September contracts each fared similarly, settling below the \$3.00/MMBtu psychological level at \$2.982/MMBtu, \$2.992/MMBtu, and \$2.978/MMBtu, respectively. Unfortunately, yesterday's reductions are barely noticeable when captured on the steeply and upwardly-sloped thirty-day trendline. While record-setting LNG demand levels have propelled contracts nearly \$0.30/MMBtu higher month-over-month, market participants are expecting a healthier injection for the week ended April 30th. Last week's warm weather and lowered demand levels have set the injection range for today's report between 49 and 76 Bcf. While this range is still lower than both last year's 103 Bcf and the 81 Bcf five-year average injection, it's much higher than last week's feeble and bullish 15 Bcf build. Even if the storage report meets expectations, it's possible the rally may continue, as elevated residential heating demand levels are forecasted to linger through mid-May.

Bullish Factors

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

Bearish Factors

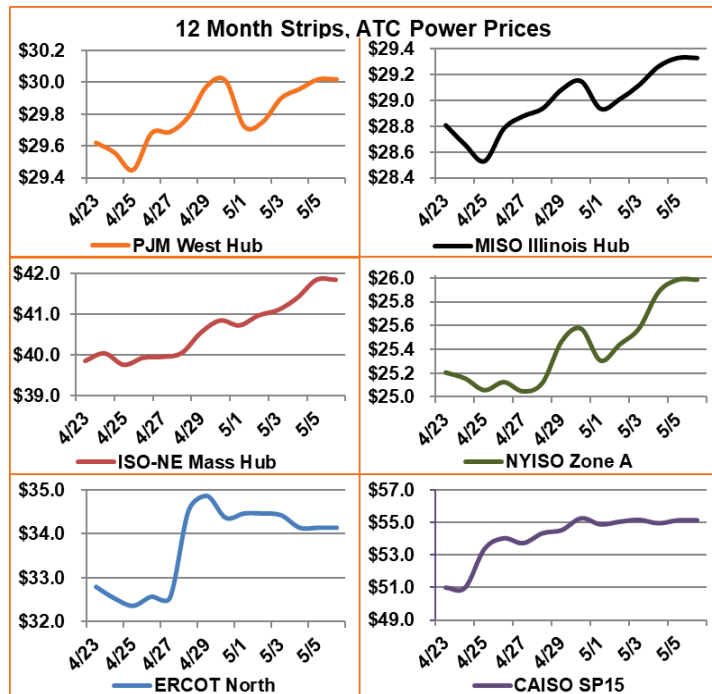
- Coronavirus impacts on demand
- Strong production
- Milder weather



Next Day On-Peak Power (traded for 5/6/2021)

| | | |
|----------------------------|-----------------------------|-------------------------|
| ISO-NE Mass Hub \$27.54 | MISO Indiana Hub \$30.50 | NYISO Zone G \$27.33 |
| PJM West Hub \$27.53 | ERCOT North \$32.55 | CAISO SP15 \$32.79 |

| NYMEX NG | Close | Change |
|----------|-------|--------|
| Jun-21 | 2.938 | -0.029 |
| Jul-21 | 2.982 | -0.030 |
| 12-Month | 2.977 | -0.022 |
| Cal 22 | 2.764 | -0.003 |
| Cal 23 | 2.601 | 0.004 |



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% |

