

Early Morning Update

The Jun '22 natural gas contract is trading up \$0.50 at \$8.45. The Jun '22 crude oil contract is up \$4.09 at \$106.50.

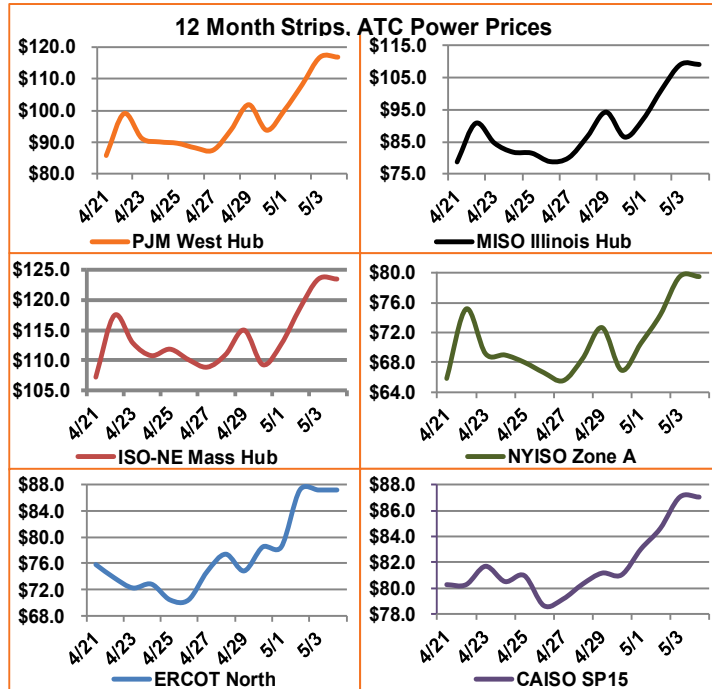
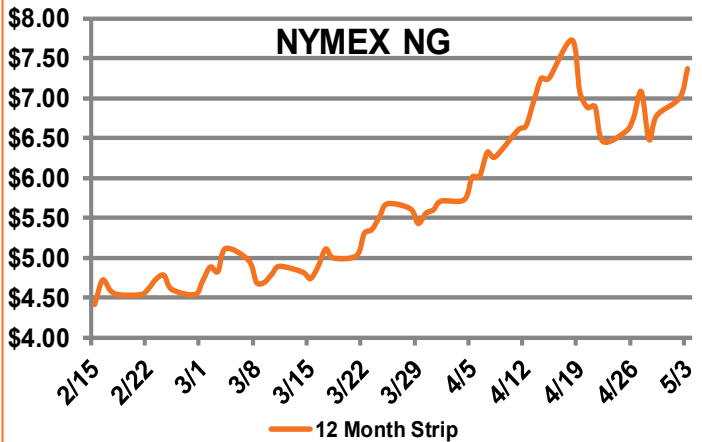
Summary: Yesterday saw a continuation of the ongoing trend for volatility in the NYMEX natural gas market as the prompt month traded as high as \$8.17/MMBtu, up nearly 70 cents, until it eased off in the afternoon and ultimately settled at \$7.954/MMBtu, representing a gain of 48 cents. The 12-month strip followed closely behind as it gained 36 cents, with the June 2022 through February 2023 period showing the most uplift, averaging 45 cents higher. The calendar strip for 2023 gained just under 12 cents and closed at \$5.51/MMBtu, and 2024 and 2025 gained around two cents each. Cal 2025 remains the low-priced strip on the board at \$4.043/MMBtu. Beyond that, 2026 through 2028 bumped up five cents, while the calendar strips for the remainder of the pricing curve out through 2034 all increased by three cents. On the supply and demand side of things, natural gas production has averaged 93 Bcf/d over the past 30 days compared to 92.3 for the same period last year, while total demand, including exports, is averaging nearly 3.0 Bcf/d higher over the past 30 days compared to the same period in 2021.

Bullish Factors

- Record high LNG exports
- Stagnant natural gas production
- Lingering cold temperatures

Bearish Factors

- Res/com demand decreasing
- Power burns down
- Storage injection season started



Next Day On-Peak Power (traded for 5/4/2022)

ISO-NE Mass Hub \$95.29	MISO Indiana Hub \$92.73	NYISO Zone G \$79.88
PJM West Hub \$95.71	ERCOT North \$65.00	CAISO SP15 \$76.83

NYMEX NG	Close	Change
Jun-22	7.954	0.479
Jul-22	8.025	0.459
12-Month	7.372	0.362
Cal 23	5.513	0.118
Cal 24	4.327	0.025

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,490	1,450	1,896	1,795
Diff v. Current		40	-406	-305
% Diff			-21.4%	-17.0%

