

**Early Morning Update**

The Jun '22 natural gas contract is trading down \$0.02 at \$8.43. The Jun '22 crude oil contract is up \$1.39 at \$109.20.

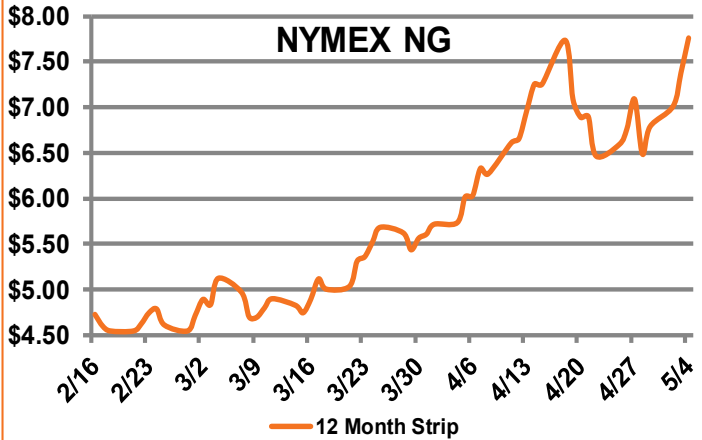
**Summary:** Natural gas prices climbed even higher yesterday as the strong short-term demand forecast has further stunted the outlook for healthy storage levels next winter. The current heat wave spanning across Texas is forecasted to peak over the weekend into early next week, sending temperatures towards their record highs for some of the state's major cities. As a result, power demand for the region is currently forecasted to reach nearly 70 GWs Saturday through Monday, which would set a May demand record by a few gigawatts. ERCOT released an Operations Message earlier in the week warning market participants of the forthcoming potentially scarce grid conditions. Next week the elevated temperatures will expand from Texas towards the Midwest and Northeast, which is particularly bullish for power burns amidst flatlining supply. As a result of these fundamental pressures, the prompt month contract rallied \$0.46 yesterday and settled at \$8.415/MMBtu. The 12-month strip strengthened by \$0.38 as well, settling at \$7.756/MMBtu. Injection expectations for today's U.S. Energy Information Administration storage report fall within the very wide range of 41 to 81 Bcf according to NGI. This range fully encompasses the historical benchmark's from last year's 53 Bcf injection and the 78 Bcf injection 5-year average. Prices are likely to remain volatile until the storage balance makes a material recovery.

**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



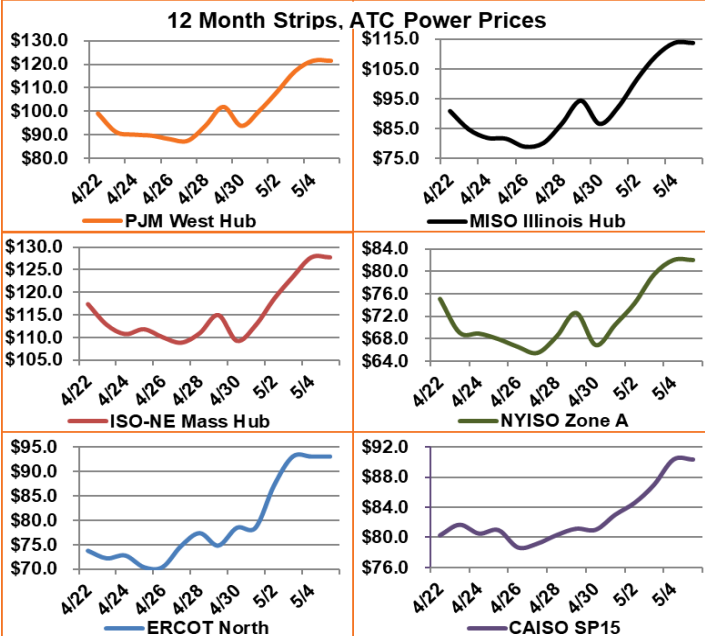
**Next Day On-Peak Power (traded for 5/5/2022)**

ISO-NE Mass Hub \$86.04	MISO Indiana Hub \$86.98	NYISO Zone G \$81.86
PJM West Hub \$88.41	ERCOT North \$105.68	CAISO SP15 \$70.52

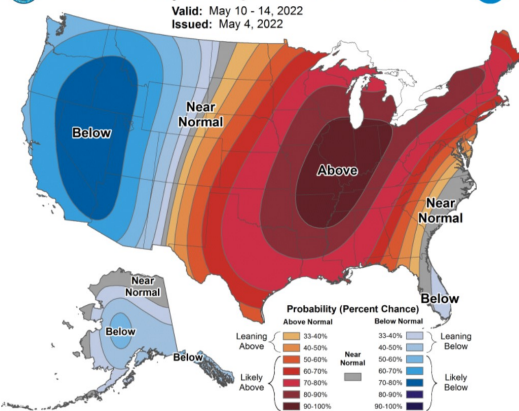
NYMEX NG	Close	Change
Jun-22	8.415	0.461
Jul-22	8.472	0.447
12-Month	7.756	0.384
Cal 23	5.706	0.193
Cal 24	4.409	0.082

**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%



**6-10 Day Temperature Outlook**



**8-14 Day Temperature Outlook**

