

Early Morning Update

The Jun '22 natural gas contract is trading up \$0.10 at \$7.83. The Jun '22 crude oil contract is up \$2.54 at \$108.67.

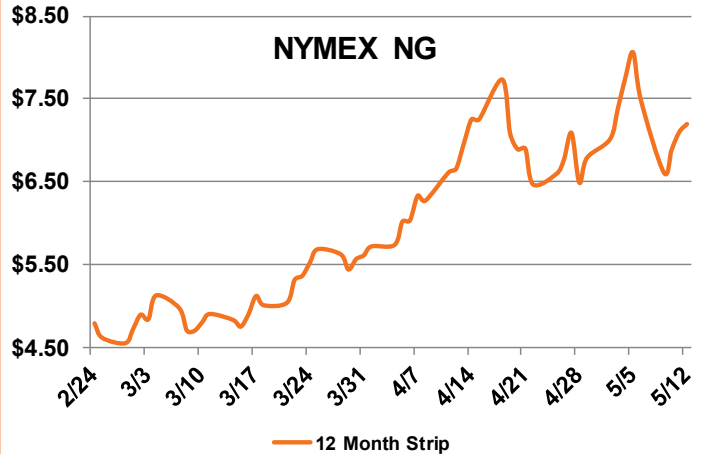
Summary: Yesterday was a relatively quiet day on the NYMEX with the prompt month trading in a range of 'only' \$0.535, with the settlement up \$0.099 from the prior day. The main news on the day was the EIA's announcement of a injection of 76 Bcf into storage, nearly exactly in line with the most recent estimates. Looking ahead, the market is increasingly concerned with generation availability for this coming summer. With gas prices at very high levels and coal stocks near all-time lows, it may be that the high index prices we're currently seeing are here to stay. Current weather forecasts are calling for a warmer-than-average summer, and higher temps will certainly lead to higher demand. And with gas and coal prices being so high, index prices are sure to follow. Either way, volatility seems set to continue until we see NG production increase and ease the supply/demand balance, which remains very tight.

Bullish Factors

- Stagnant natural gas production
- High oil and global gas prices
- Record heat in southern U.S.

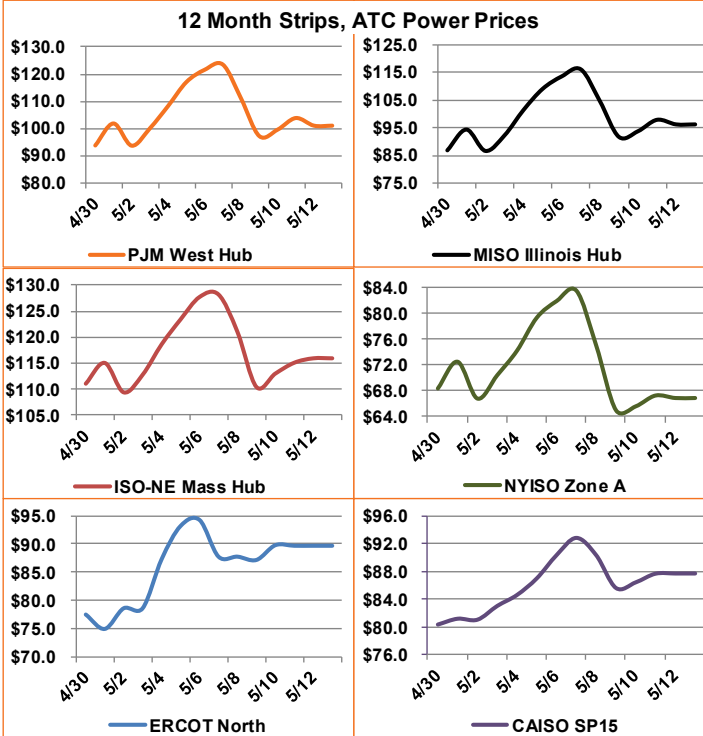
More Bullish Factors

- Large natural gas storage deficit
- LNG exports close to max
- Warmer-than-normal summer forecast



Next Day On-Peak Power (traded for 5/13/2022)

ISO-NE Mass Hub \$71.33	MISO Indiana Hub \$101.60	NYISO Zone G \$86.77
PJM West Hub \$94.10	ERCOT North \$195.07	CAISO SP15 \$53.65
NYMEX NG		
	Close	Change
Jun-22	7.739	0.099
Jul-22	7.835	0.108
12-Month	7.193	0.096
Cal 23	5.373	0.025
Cal 24	4.225	-0.009



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,643	1,567	2,019	1,955
Diff v. Current		76	-376	-312
% Diff			-18.6%	-16.0%

