

**Early Morning Update**

The Jun '22 natural gas contract is trading up \$0.32 at \$8.28. The Jun '22 crude oil contract is up \$0.23 at \$114.43.

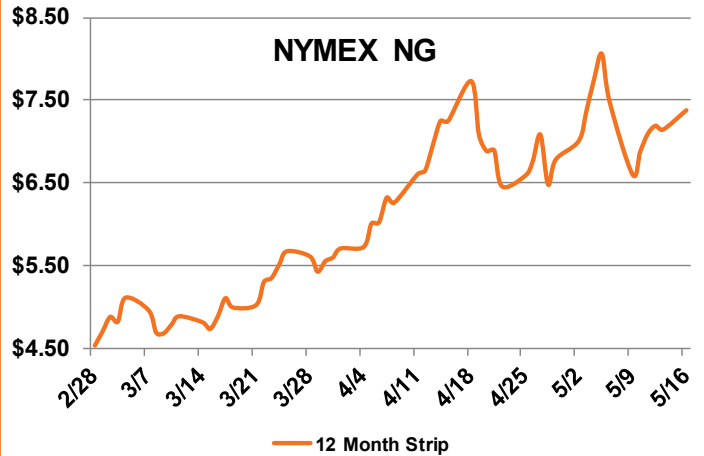
**Summary:** Volatility returned yesterday after a brief respite, with the prompt month closing the day higher by \$0.293 and trading within a \$0.52 range for the session. Despite the run-up on the gas side, power markets did not react as strongly as power seems to have stabilized a bit recently. That is great news considering the huge price swings we had been seeing throughout any given day. The market is still concerned about this upcoming summer as coal inventories continue to remain low and coal/gas prices are so high. The forecast for this summer are in pretty good agreement that temps will be high, which if true, would lead to higher demand and higher index pricing. What would help the markets move lower is a mild summer and an increase in NG production, something we haven't seen this year.

**Bullish Factors**

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

**More Bullish Factors**

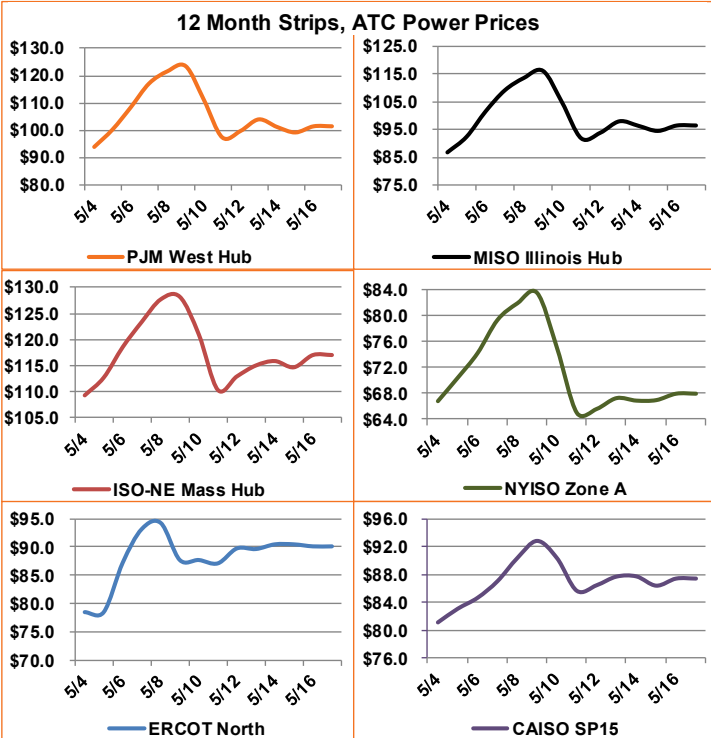
- Large natural gas storage deficit
- LNG exports close to max
- Warmer-than-normal summer forecast



**Next Day On-Peak Power (traded for 5/17/2022)**

ISO-NE Mass Hub \$74.25	MISO Indiana Hub \$91.25	NYISO Zone G \$76.72
PJM West Hub \$84.85	ERCOT North \$72.01	CAISO SP15 \$55.00

NYMEX NG	Close	Change
Jun-22	7.956	0.293
Jul-22	8.053	0.288
12-Month	7.380	0.232
Cal 23	5.484	0.108
Cal 24	4.305	0.055



**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%

