

Early Morning Update

The Jun '22 natural gas contract is trading up \$0.18 at \$8.48. The Jun '22 crude oil contract is up \$2.13 at \$114.53.

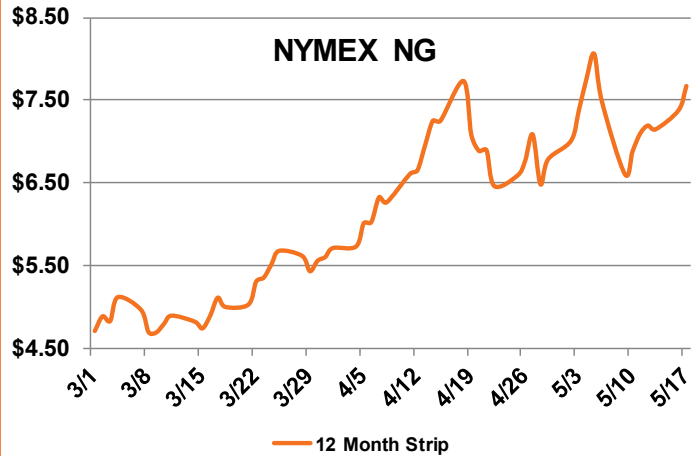
Summary: Yesterday saw another day of volatility and upward movement for NYMEX as the prompt month traded as high as \$8.37 MMBtu before closing for the day at \$8.304, representing a gain of just under 35 cents. The twelve month strip followed closely behind as it moved up 29 cents with all months through February 2023 now well above the \$8 mark. From February to March there is a \$3.31 spread. The momentum continued to the forward cal strips as 2023 moved up 15.6 cents, 2024 added 7 cents, and 2025- still the low strip, gained just over 4 cents to \$4.168. The curve flattened beyond there with slight downward movement of around a penny from 2026-2028 but then a big jump up for the end of the curve with 2029-2034 jumping up almost 14 cents. On the fundamental side, the supply/demand balance is tightening as production moved slightly lower to 93.4 Bcf/d after averaging 93.8 Bcf/d for the past seven days and demand is increasing, being led by the export sectors, powerburn demand from generators, and residential and commercial demand.

Bullish Factors

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

More Bullish Factors

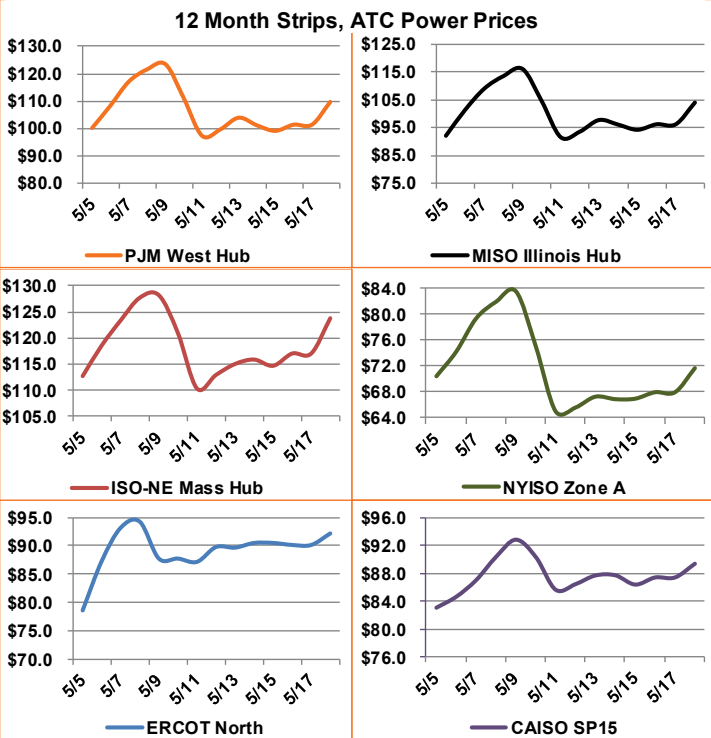
- Large natural gas storage deficit
- LNG exports close to max
- Warmer-than-normal summer forecast



Next Day On-Peak Power (traded for 5/18/2022)

ISO-NE Mass Hub \$70.50	MISO Indiana Hub \$97.00	NYISO Zone G \$73.29
PJM West Hub \$88.58	ERCOT North \$98.64	CAISO SP15 \$67.79

NYMEX NG	Close	Change
Jun-22	8.304	0.348
Jul-22	8.394	0.341
12-Month	7.670	0.291
Cal 23	5.639	0.156
Cal 24	4.375	0.070



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%

