

Early Morning Update

The Jun '22 natural gas contract is trading down \$0.16 at \$8.20. The Jun '22 crude oil contract is down \$1.65 at \$107.94.

Summary: After a bumpy session, the market ultimately finished yesterday higher by \$0.064 to close the day at \$8.368. Within the day though, prices ranged from a low of \$8.16 and a high of \$8.548, extending the volatility present in the current market. The volatility is also showing up in the index markets where PJM and MISO pricing is very high as heat moves throughout the area. Temps are expected to be in the 90's today and tomorrow for much of the mid-Atlantic area. After the hot spell, temps are forecast to moderate a bit next week. But this warm-up serves notice to the type of volatility and high prices we may see this summer as temps move higher.

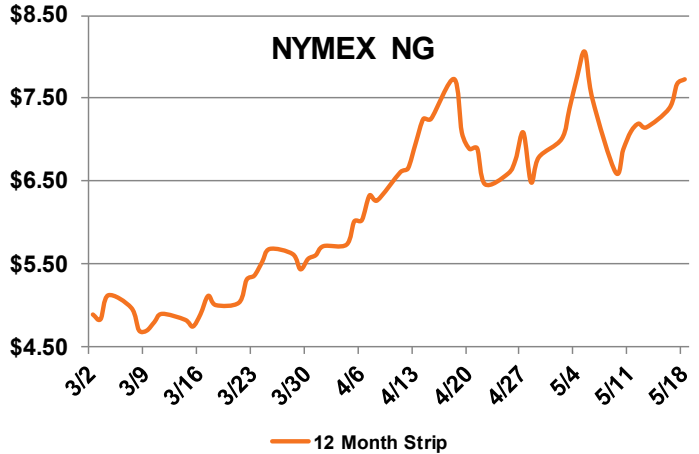
Today the EIA will release its weekly storage report. Estimates call for a build in the upper 80's, compared to 71 last year and the 5-year average of 87.

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 5/19/2022)

ISO-NE Mass Hub \$81.13	MISO Indiana Hub \$116.80	NYISO Zone G \$86.06
PJM West Hub \$141.00	ERCOT North \$77.77	CAISO SP15 \$54.11

NYMEX NG

	Close	Change
Jun-22	8.368	0.064
Jul-22	8.455	0.061
12-Month	7.728	0.057
Cal 23	5.694	0.054
Cal 24	4.437	0.062

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%

