

Early Morning Update

The Jun '22 natural gas contract is trading down \$.32 at \$7.98. The Jun '22 crude oil contract is down \$0.51 at \$111.70.

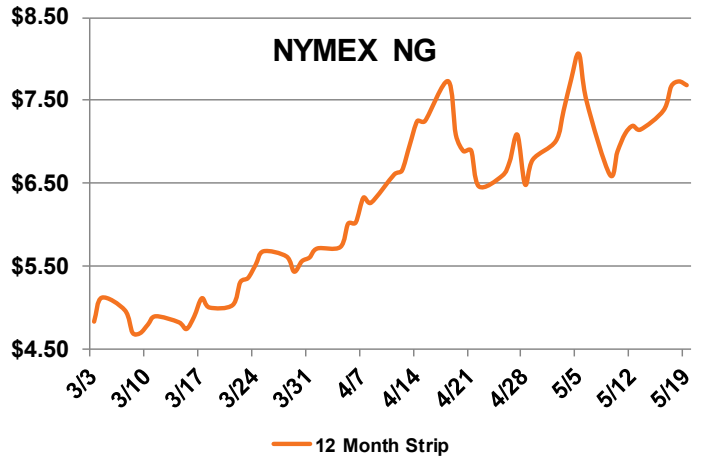
Summary: After all was said and done, the market finished yesterday down \$0.060 to finish the day at \$8.308, after another wild ride. The market had been trending lower throughout the morning but after the EIA reported a build into storage of 89 Bcd, prices started ticking higher, even the report was spot-on with expectations. The prompt month traded as high as \$8.50 before easing at the end of the session. The real story though is index pricing for the power markets, especially PJM/MISO where heat has moved into the area and demand is expected to soar. Temps are expected to be above 90 for much of the area today and tomorrow. As forecasts are calling for a hotter-than-average summer, this surely won't be the last blast of heat the area sees.

Bullish Factors

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

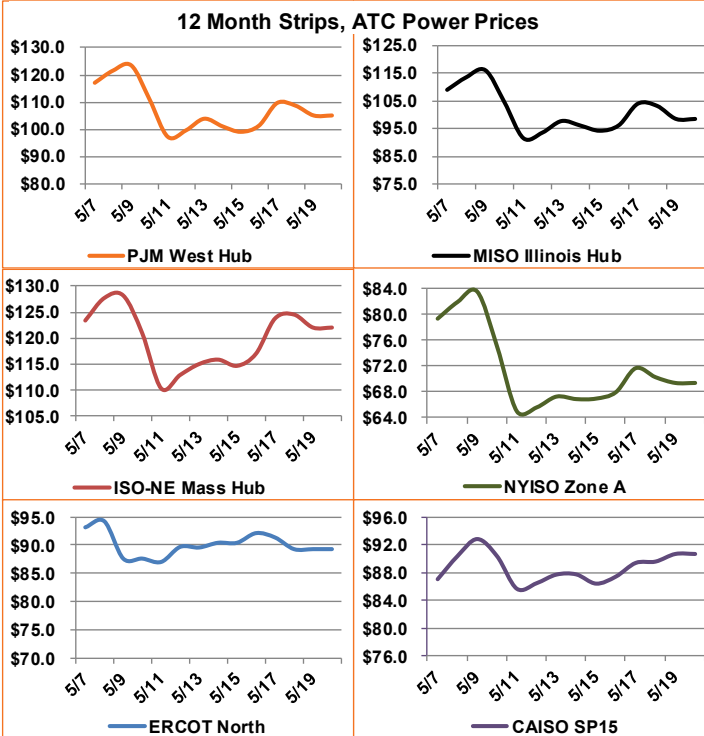
More Bullish Factors

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



Next Day On-Peak Power (traded for 5/20/2022)

ISO-NE Mass Hub \$77.43	MISO Indiana Hub \$117.12	NYISO Zone G \$99.93
PJM West Hub \$170.36	ERCOT North \$80.00	CAISO SP15 \$47.54
NYMEX NG		Change
Jun-22	8.308	-0.060
Jul-22	8.400	-0.055
12-Month	7.682	-0.045
Cal 23	5.663	-0.031
Cal 24	4.388	-0.049



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,732	1,643	2,090	2,042
Diff v. Current		89	-358	-310
% Diff			-17.1%	-15.2%

