

Early Morning Update

The Jun '22 natural gas contract is trading down \$0.07 at \$8.67. The Jul '22 crude oil contract is down \$0.19 at \$110.10.

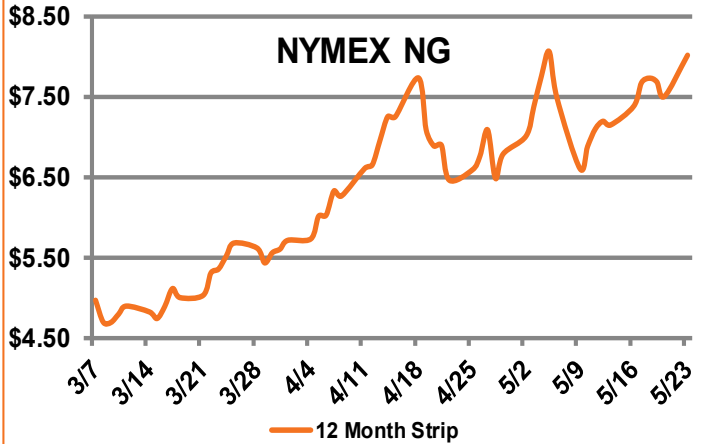
Summary: Another day of big swings in the energy markets kicked off the week yesterday, as the natural gas prompt month first moved down about 20 cents, only to finish the day up nearly 67 cents at \$8.74/MMBtu. Overall tightness in the balance of supply and demand is causing this tug-of-war with near-term pricing. While the demand from overly warm temperatures last week has subsided across most of the country for now, looking forward shows the eastern half and south wrapped up in heat in the next 10-14 days. The lingering power burn effects from the warmer weather may show up in this week's storage report, as the incremental gains in production toward 94 Bcf/d don't look to be enough to make a huge impact on overall sentiments. Continued maintenance on LNG facilities has kept total send-out to below current U.S. capabilities, but current levels still show a 20% increase in LNG demand compared to May 2021.

Bullish Factors

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

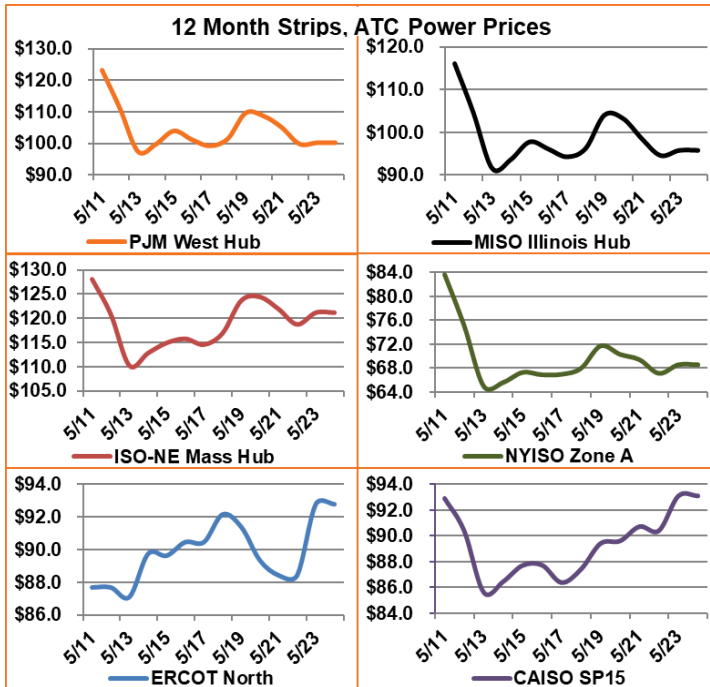
More Bullish Factors

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



Next Day On-Peak Power (traded for 5/24/2022)

ISO-NE Mass Hub \$70.02	MISO Indiana Hub \$76.00	NYISO Zone G \$73.40
PJM West Hub \$77.54	ERCOT North \$66.23	CAISO SP15 \$75.20
NYMEX NG	Close	Change
Jun-22	8.744	0.661
Jul-22	8.827	0.649
12-Month	8.013	0.510
Cal 23	5.802	0.214
Cal 24	4.479	0.069



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%

