

Early Morning Update

The May20 natural gas contract is trading up \$0.05 at \$1.67. The May20 crude oil contract is down \$0.94 at \$27.40.

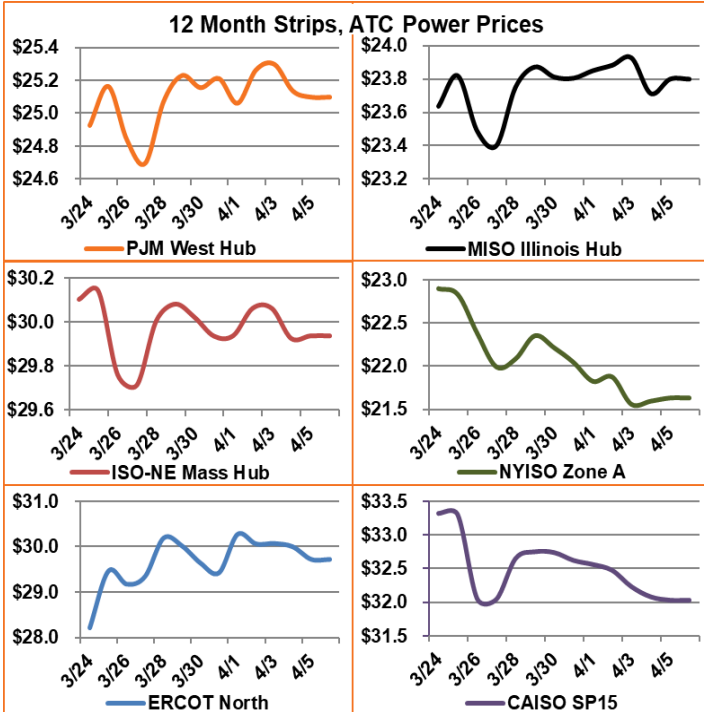
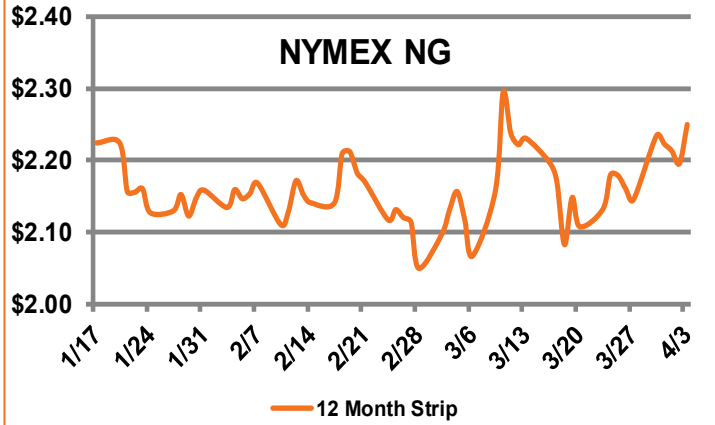
Summary: As the week begins, COVID-19 continues to be the headline, with the next two weeks being critical to see if the "flattening the curve" strategy has been successful. While shutting down the country has likely slowed the virus, it's clear the economic damage has been done. With last week's largest-on-record unemployment report showing over six million Americans filing, the U.S. economy is teetering, with hopes of stimulus saving the day and economic reopening happening sooner rather than later. With an uncertain economic view, the energy markets' outlook is mixed. NYMEX forward pricing for the next three months is showing continued weakness, with the prompt month settling at \$1.621 on Friday, up seven cents from Thursday's 27-year low close. However, the 2021 calendar strip is showing strength. Since hitting all-time lows a month ago at \$2.272, the strip has increased 24 cents to Friday's settle at \$2.514. Over the same period, the longer-term '23-'25 NYMEX strips have dropped to all-time lows between \$2.370 and \$2.404. A backwardated market now exists, with Cal 2021 as the most expensive forward strip at \$2.514, and Cal 2023 cheapest at \$2.370.

Bullish Factors

- Slowing production
- Eventual growth in exports
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Bearish Factors

- Coronavirus impacts
- Mild temperatures
- Healthy storage levels



Next Day On-Peak Power (traded for 4/6/2020)

ISO-NE Mass Hub \$22.24	MISO Indiana Hub \$20.40	NYISO Zone G \$15.74
PJM West Hub \$18.50	ERCOT North \$20.13	CAISO SP15 \$19.65
NYMEX NG	Close	Change
May-20	1.621	0.069
Jun-20	1.738	0.066
12 Month	2.250	0.054
Cal 21	2.514	0.014
Cal 22	2.387	-0.012

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,986	2,005	1,123	1,694
Diff v. Current		-19	863	292
% Diff			76.8%	17.2%

