

**Early Morning Update**

The May20 natural gas contract is trading flat to yesterday's close at \$1.60. The May20 crude oil contract is up \$0.33 at \$20.20.

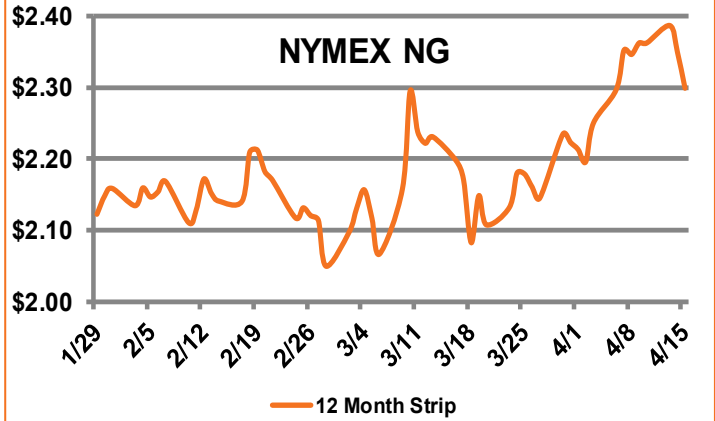
**Summary:** Despite forecasts for below-average temperatures for much of the U.S., particularly in the Midcon and Midwest regions throughout this week, the prompt month weakened yesterday. The NYMEX natural gas prompt month contract lost over a nickel during yesterday's trading session and closed the day at \$1.598/MMBtu. This loss is most likely due to declining demand - power burn fell 1.5 Bcf/d yesterday, and residential/commercial heating demand is down 5.8 Bcf/d year-over-year. Concerns are growing in the market that, while our natural gas storage numbers are very strong right now, that level could be quickly erased depending on when demand rebounds from the coronavirus and how production responds to the current low-price environment. If the demand rebound aligns with the projected decline in production and the start of winter, we could see a strong reaction in NYMEX pricing, along with the need to pull more gas from storage. Speaking of, the EIA will release their weekly storage report this morning, where market analysts are expecting a 67 Bcf injection to be reported. If this actualizes, it would be 6 Bcf lower than last year, but 40 Bcf higher than the 5-year average benchmark.

**Bullish Factors**

- Eventual growth in exports
- Widespread below-normal temps
- 

**Bearish Factors**

- Coronavirus impacts
- Healthy storage levels
- Steady production

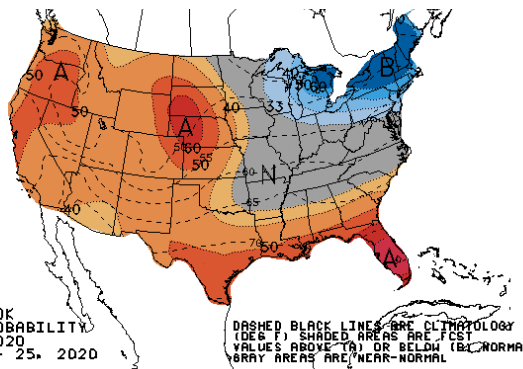
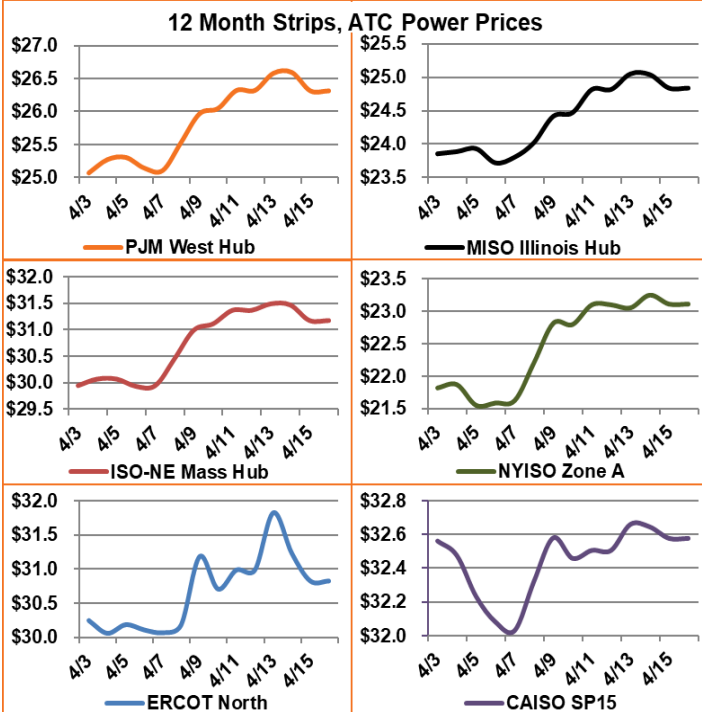


**Next Day On-Peak Power (traded for 4/16/2020)**

|                            |                             |                         |
|----------------------------|-----------------------------|-------------------------|
| ISO-NE Mass Hub<br>\$20.90 | MISO Indiana Hub<br>\$23.25 | NYISO Zone G<br>\$16.17 |
| PJM West Hub<br>\$21.65    | ERCOT North<br>\$13.42      | CAISO SP15<br>\$13.95   |
| <b>NYMEX NG</b>            | <b>Close</b>                | <b>Change</b>           |
| May-20                     | 1.598                       | -0.052                  |
| Jun-20                     | 1.748                       | -0.078                  |
| 12 Month                   | 2.299                       | -0.051                  |
| Cal 21                     | 2.593                       | -0.025                  |
| Cal 22                     | 2.455                       | -0.021                  |

**EIA Natural Gas Storage**

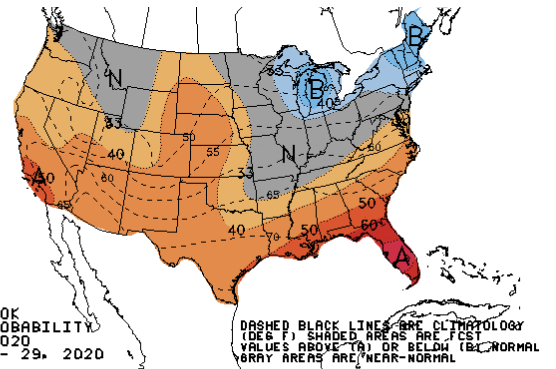
| EIA Reported Storage (Bcf) | This Week | Last Week | Last Year | 5-Year Avg. |
|----------------------------|-----------|-----------|-----------|-------------|
| <b>Total</b>               | 2,024     | 1,986     | 1,148     | 1,700       |
| <b>Diff v. Current</b>     |           | 38        | 876       | 324         |
| <b>% Diff</b>              |           |           | 76.3%     | 19.1%       |



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 15 APR 2020  
VALID APR 21 - 25, 2020

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F) SHADED AREAS ARE FCST VALUES ABOVE (T) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL

90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%



8-14 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 15 APR 2020  
VALID APR 23 - 29, 2020

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F) SHADED AREAS ARE FCST VALUES ABOVE (T) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL

90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%