

**Early Morning Update**

The May20 natural gas contract is trading down \$0.01 at \$1.91. The May20 crude oil contract is up \$36.13 at -\$1.50. (not a typo!)

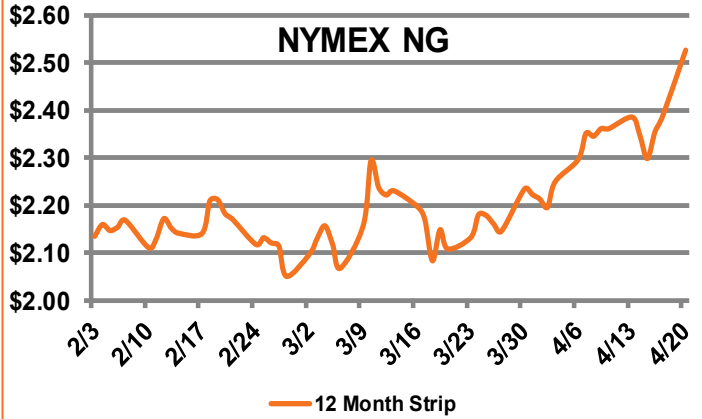
**Summary:** Oil fell sharply yesterday, prompted by a lack of demand and lack of storage, with the NYMEX WTI for May, the front month, settling below zero for the first time ever, at negative \$37.63/bbl, down \$55.90 from Friday. Many producers in the U.S. and Canada have already announced production & growth cuts for 2020 due to the low price environment, operating well below break-even costs. In response, NYMEX natural gas increased yesterday, heavily loaded in the prompt and 12-month strips, with May, the prompt month, gaining 17 cents to settle at \$1.92, and the 12-month strip gaining 14 cents to settle at \$2.53. Jan and Feb 2021 settled just above \$3 for the first time since mid-April 2018. On the demand front, Res/Comm showed a 3.0 Bcf/d increase, due to lingering cooler weather in the Midcon and Northeast demand sectors, while industrial demand is showing a decline, down nearly 1.0 Bcf/d compared to this time last year. This drop is not unexpected, as the effects of COVID-19 continue their impact on the economy. On a positive note for the LNG sector, China received its first U.S. LNG shipment in 13 months, after tariff exemptions made the shipment more economical. This is a promising potential avenue for the summer months, as European storage has been filling up due to low demand.

**Bullish Factors**

- Eventual growth in exports
- Widespread below-normal temps
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**Bearish Factors**

- Coronavirus impacts
- Healthy storage levels
- Steady production



**Next Day On-Peak Power (traded for 4/21/2020)**

ISO-NE Mass Hub \$19.83	MISO Indiana Hub \$22.14	NYISO Zone G \$16.55
PJM West Hub \$20.76	ERCOT North \$23.00	CAISO SP15 \$9.04

NYMEX NG	Close	Change
May-20	1.924	0.171
Jun-20	2.049	0.146
12 Month	2.528	0.139
Cal 21	2.707	0.081
Cal 22	2.503	0.031

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,097	2,024	1,221	1,727
Diff v. Current		73	876	370
% Diff			71.7%	21.4%

