

Early Morning Update

The May20 natural gas contract is trading up \$0.01 at \$1.82. The Jun20 crude oil contract is up \$1.05 at \$17.55.

Summary: The NYMEX NG market saw a sharp sell-off yesterday, dropping \$.124 to close at \$1.815. The drop occurred despite a somewhat disappointing reported injection into storage of 43 bcf, slightly lower than expectations. The rise in crude oil could have been a reason for the drop in NG as a recovery in crude oil could lead to higher associated natural gas production. The situation remains fluid though, as effects of the pandemic are still shaking out.

On the weather side, we're still seeing below-average temperatures in the northeast, now forecast through mid-May. While we're still some lingering heating demand, the cooler temps will soon lead to reduced A/C demand as normal temps naturally increase.

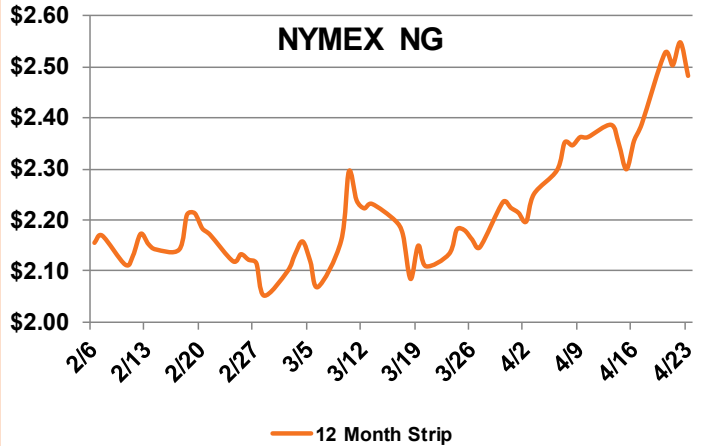
For now, the drop in pricing led to a drop in the Cal '21, which had been steadily rising since late Feb. Whether larger injections into storage will stop the rally, or just pause it remains to be seen.

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 4/24/2020)

ISO-NE Mass Hub \$23.31	MISO Indiana Hub \$21.58	NYISO Zone G \$17.13
PJM West Hub \$21.10	ERCOT North \$23.00	CAISO SP15 \$21.62

NYMEX NG	Close	Change
May-20	1.815	-0.124
Jun-20	1.942	-0.111
12 Month	2.483	-0.066
Cal 21	2.714	-0.032
Cal 22	2.508	-0.010

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,140	2,097	1,313	1,776
Diff v. Current		43	827	364
% Diff			63.0%	20.5%

