

Early Morning Update

The Jun20 natural gas contract is trading down \$0.02 at \$1.92. The Jun20 crude oil contract is up \$1.28 at \$20.12.

Summary: The June NYMEX contract closed at \$1.949/MMBtu yesterday, gaining back the eight cents it lost the day earlier and hitting the two-month high for prompt month contracts. The EIA reported a 70 Bcf injection last week, roughly hitting the mark for the 74 Bcf 5-year average, but far less than the 114 Bcf injection we saw the same week last year. The 12-month strip and 2021 strip continued to gain strength this week, closing Thursday at \$2.59 and \$2.76 respectively. Associated gas production, which makes up ~38% of US NG Production, is at risk to lose 15 Bcf/d as oil shut-ins continue with oil prices remaining below \$20/b. However, total US NG production continues to hover around 92 Bcf/d.

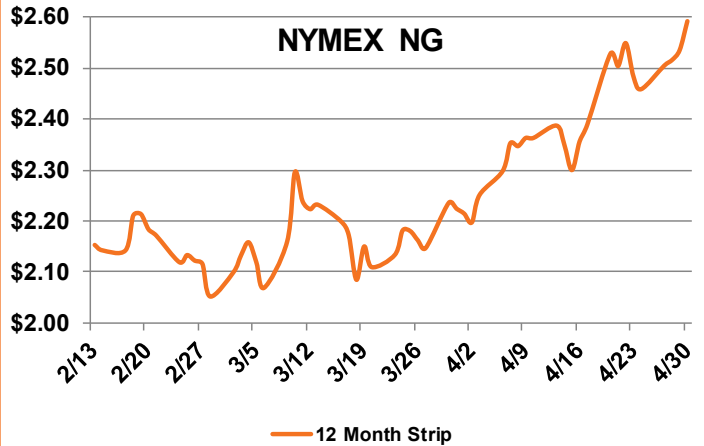
Weather forecasts are continuing with the warm west/cold east pattern. This is causing some lingering heating demand and slightly suppressing what would otherwise be very large storage injections.

Bullish Factors

- Eventual growth in exports
- Northeast below-normal temps
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Bearish Factors

- Coronavirus impacts
- Healthy storage levels
- Steady production



Next Day On-Peak Power (traded for 5/1/2020)

ISO-NE Mass Hub \$19.38	MISO Indiana Hub \$21.95	NYISO Zone G \$17.58
PJM West Hub \$19.09	ERCOT North \$17.50	CAISO SP15 \$11.00

NYMEX NG	Close	Change
Jun-20	1.949	0.080
Jul-20	2.170	0.079
12 Month	2.592	0.057
Cal 21	2.759	0.018
Cal 22	2.535	-0.005

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,210	2,140	1,427	1,850
Diff v. Current		70	783	360
% Diff			54.9%	19.5%

