

Early Morning Update

The Jun20 natural gas contract is trading up \$0.03 at \$1.65. The Jun20 crude oil contract is up \$0.71 at \$26.00.

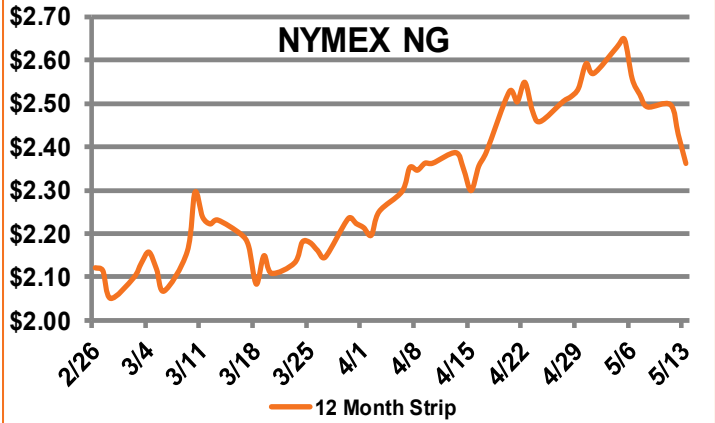
Summary: The Jun '20 prompt month natural gas contract shed a dime yesterday and closed out the day at \$1.616/MMBtu. This is the lowest we've seen the Jun '20 contract settle since it debuted as the prompt month, with its highest settlement being \$2.13 on Cinco de Mayo. The balance of the year also lost close to a dime, and even Q1 '21 lost four cents, as well. All eyes have been on Q1 '21 lately due to the fears of natural gas production declining right at the peak of heating demand season in the wintertime, which would create bullishness in the market. Luckily, our natural gas storage reserves remain at a steep surplus to last year's and the 5-year average levels. If storage-building continues this upward trajectory throughout the rest of the injection season, we could see levels very close to 4.0 Tcf as we enter winter, which would certainly help to hamper volatility, if we do, indeed, see a large cut in production. This morning, the U.S. Energy Information Administration will release their weekly storage report, where market participants are expecting an estimate around 107 Bcf to be reported. If this actualizes, it would be 22 Bcf larger than the 5-year average.

Bullish Factors

- Managed Money buying spree
- Declining production
- Eventual growth in exports

Bearish Factors

- Coronavirus impacts
- Healthy storage levels
- Warmer normal temperatures

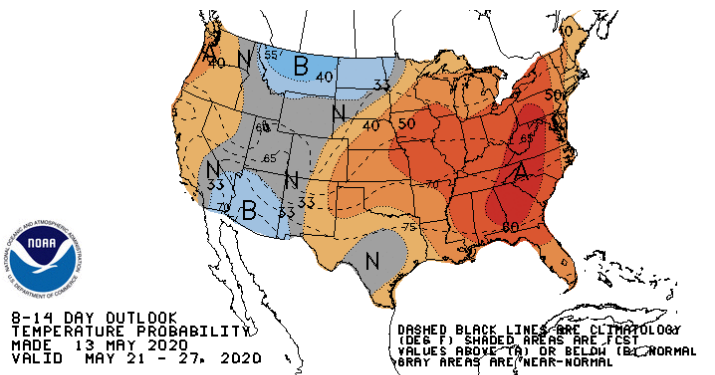
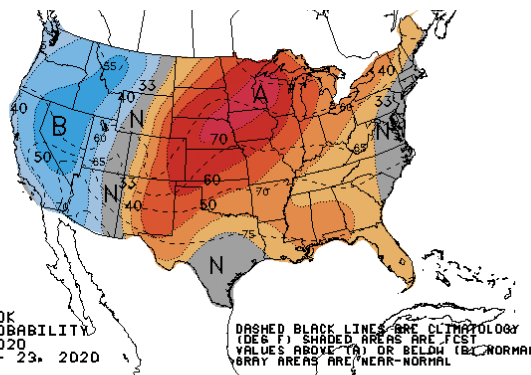
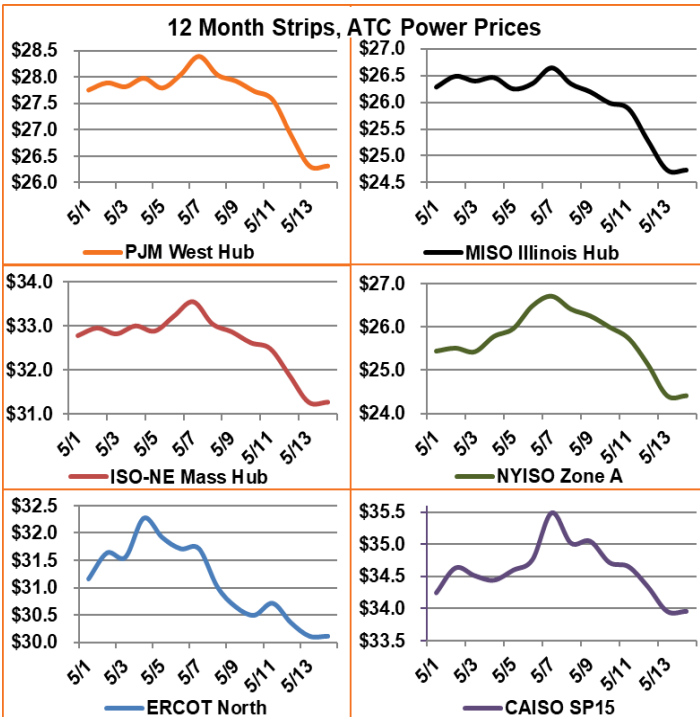


Next Day On-Peak Power (traded for 5/14/2020)

ISO-NE Mass Hub \$14.92	MISO Indiana Hub \$22.60	NYISO Zone G \$14.39
PJM West Hub \$18.48	ERCOT North \$22.25	CAISO SP15 \$11.57
NYMEX NG	Close	Change
Jun-20	1.616	-0.104
Jul-20	1.856	-0.109
12 Month	2.362	-0.067
Cal 21	2.648	-0.027
Cal 22	2.476	-0.015

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,319	2,210	1,523	1,924
Diff v. Current		109	796	395
% Diff			52.3%	20.5%



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

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