

**Early Morning Update**

The Jun20 natural gas contract is trading flat to yesterday's close at \$1.71. The Jul20 crude oil contract is down \$1.17 at \$32.75.

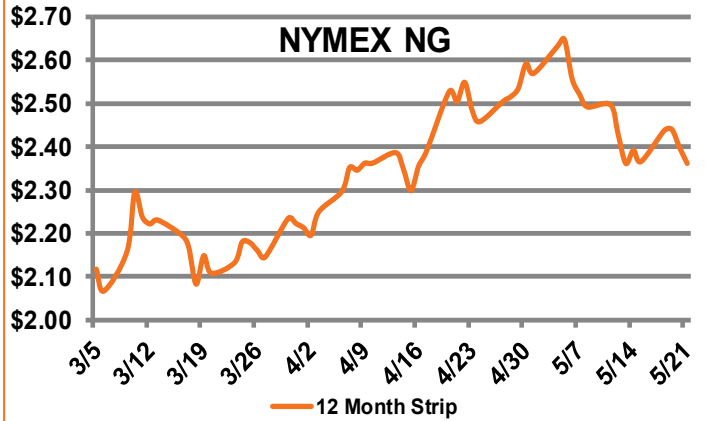
**Summary:** The NYMEX prompt month extended its decline yesterday, falling another six cents to settle at \$1.71/MMBtu. Since its debut as the prompt month, the June natural gas contract has only lost eight cents, a fact hidden by the extreme volatility, which saw daily swings as much as 19 cents. The drop yesterday came on the heels of the U.S. Energy Information Administration's weekly storage report, which showed natural gas stockpiles grew by 81 Bcf in the week to May 15. The total amount of gas in storage now stands at 2,503 Bcf, 779 Bcf (45%) more than this time last year, and 407 Bcf (19%) higher than the five-year average. Adding weight to the recent bearishness in the market is the lack of demand for natural gas. Industrial demand, in particular, has been hard-hit, with many plants shut down or operating under shortened work days, and many people working from home. Demand in that sector has averaged 20.2 Bcf/d so far this month, down almost 2.0 Bcf/d from last May. LNG exports have taken a blow, as well, averaging just under 7.0 Bcf/d so far this month, down from a record high of 9.6 Bcf/d in March. Direct Energy wishes everyone a healthy Memorial Day holiday!

**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 5/22/2020)**

ISO-NE Mass Hub \$17.63	MISO Indiana Hub \$23.17	NYISO Zone G \$14.97
PJM West Hub \$19.34	ERCOT North \$21.38	CAISO SP15 \$7.07

NYMEX NG	Close	Change
Jun-20	1.710	-0.061
Jul-20	1.852	-0.057
12 Month	2.362	-0.037
Cal 21	2.645	-0.008
Cal 22	2.486	-0.004

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,503	2,422	1,724	2,096
Diff v. Current		81	779	407
% Diff			45.2%	19.4%

