

Early Morning Update

The Jun20 natural gas contract is trading up \$0.07 at \$1.80. The Jul20 crude oil contract is up \$1.15 at \$34.40.

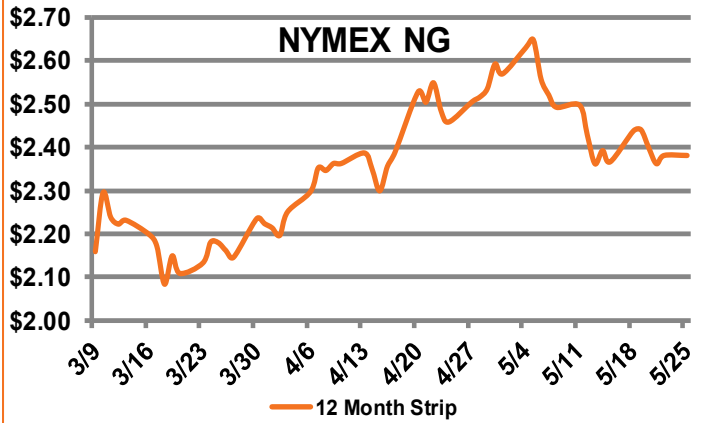
Summary: On Friday, the June '20 natural gas contract settled at \$1.731, up two cents day-over-day. July '20 crude settled at \$33.25/bbl, down \$0.67 from Thursday. The Permian lost another 10 rigs this past week, and with production cuts continuing, this is the lowest rig count we've seen since July 2016. U.S. natural gas demand fell 0.7 Bcf/d this weekend to 73.9 Bcf/d, with lower ResComm demand. We saw a massive dip, around 6.0 Bcf/d, in natural gas production over the past week, and those levels stayed consistent over the weekend and into today at 86.3 Bcf/d. The majority of the country experienced warmer-than-normal temperatures for Memorial Day Weekend, perhaps giving a taste to what this summer could hold. Forecasts point cooler for ERCOT and the Northeast with some storms creeping into the outlooks while the Midwest is forecasted to be warmer in comparison. Long-term natural gas pricing has seen little movement over the weekend since Cal '21 pulled back last week. Cal'23 and '24 are up slightly since Friday, but we are still in a backwardated market, with Cal'21 as the most expensive at \$2.65 and Cal '24 the least expensive at \$2.42.

Bullish Factors

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

Bearish Factors

- Coronavirus impacts
- Healthy storage levels
- Warmer normal temperatures

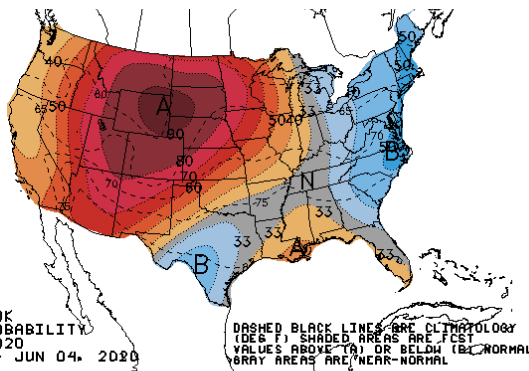
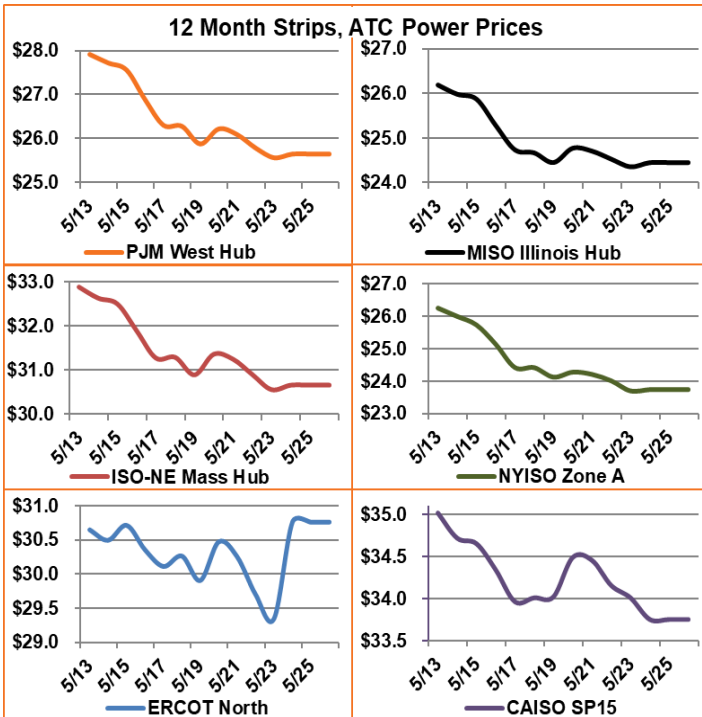


Next Day On-Peak Power (traded for 5/26/2020)

ISO-NE Mass Hub \$18.92	MISO Indiana Hub \$26.00	NYISO Zone G \$16.75
PJM West Hub \$21.34	ERCOT North \$20.21	CAISO SP15 \$29.37
NYMEX NG		
	Close	Change
Jun-20	1.731	0.021
Jul-20	1.881	0.029
12 Month	2.381	0.019
Cal 21	2.654	0.009
Cal 22	2.493	0.007

EIA Natural Gas Storage

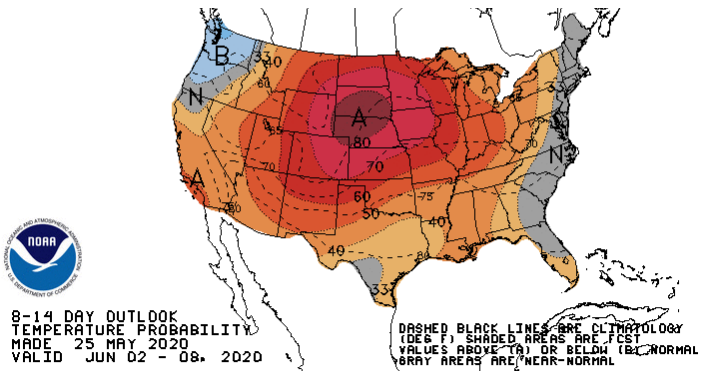
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,503	2,422	1,724	2,096
Diff v. Current		81	779	407
% Diff			45.2%	19.4%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 25 MAY 2020
VALID MAY 31 - JUN 04, 2020

DASHED BLACK LINES ARE CLIMATOLOGY (DEB F) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL

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



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 25 MAY 2020
VALID JUN 02 - 08, 2020

DASHED BLACK LINES ARE CLIMATOLOGY (DEB F) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL

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