

Early Morning Update

The Jul20 natural gas contract is trading down \$0.01 at \$1.88. The Jul20 crude oil contract is down \$0.21 at \$32.60.

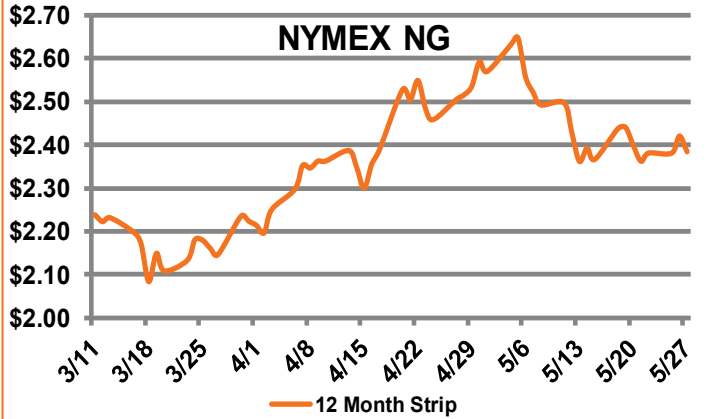
Summary: Weather forecasts continue to show very warm temperatures through the end of the month for most of the country. Most states are seeing temperature deviations as high as eight degrees above normal, making it feel very much like summer-time conditions. Despite the above-average temperatures, the June NYMEX prompt month contract expired at \$1.722/MMBtu, down \$0.07 day-over-day. Warmer-than-normal temperatures at this time of year are generally bullish to gas prices. However, it seems that the demand reduction due to COVID-19 has been dampening the effects on the market. Similar downward movement was felt at the front of the curve, with Q3 '20 losing a nickel, and Q4 '20 losing four cents. That movement fizzled out, though, as calendar strips '21 and beyond remained generally flat to losing/gaining less than two cents. This morning, the EIA will release their weekly storage report, where market participants are expecting to see a triple-digit injection of around 103 Bcf to be reported. If actualized, this would be 10 Bcf larger than the 5-year average benchmark and keep us on the trajectory to reach end-of-season storage levels of 3.9 Tcf.

Bullish Factors

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

Bearish Factors

- Coronavirus impacts
- Healthy storage levels
- Warmer normal temperatures

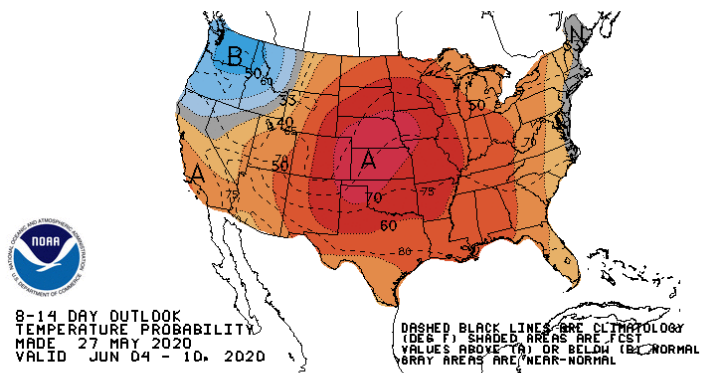
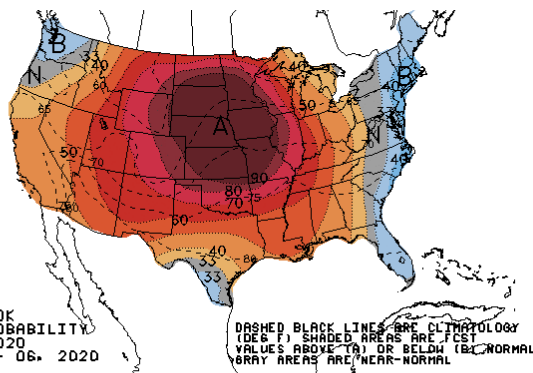
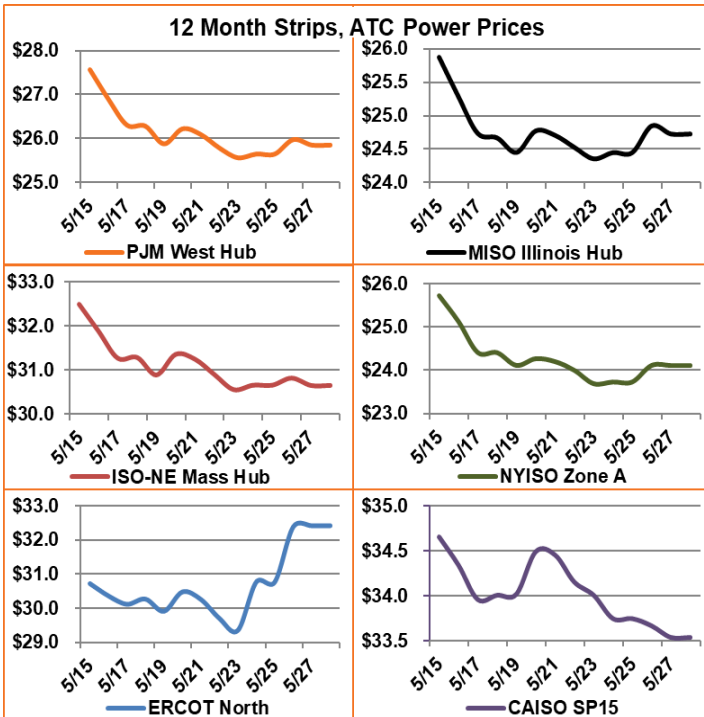


Next Day On-Peak Power (traded for 5/28/2020)

ISO-NE Mass Hub \$21.04	MISO Indiana Hub \$24.06	NYISO Zone G \$19.00
PJM West Hub \$25.54	ERCOT North \$21.15	CAISO SP15 \$25.08
NYMEX NG	Close	Change
Jun-20	1.722	-0.071
Jul-20	1.886	-0.059
12 Month	2.384	-0.036
Cal 21	2.658	-0.010
Cal 22	2.491	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%



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

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