

**Early Morning Update**

The Jul20 natural gas contract is trading up \$0.01 at \$1.78. The Jul20 crude oil contract is up \$0.26 at \$35.70.

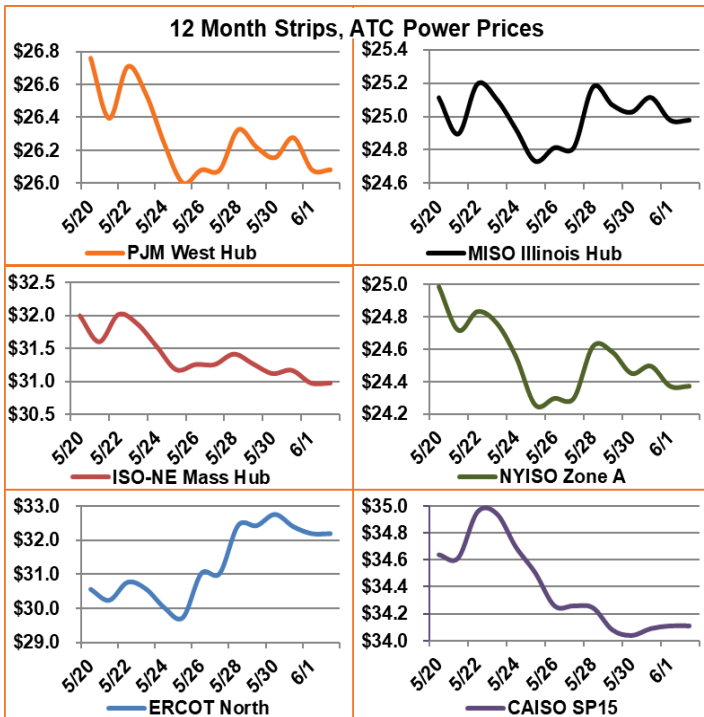
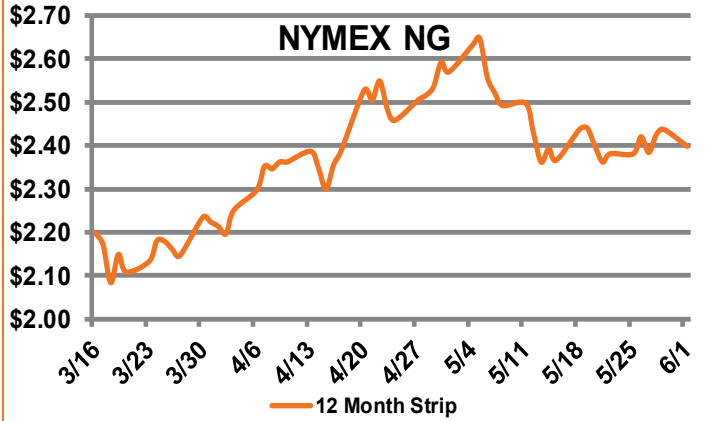
**Summary:** The July NYMEX natural gas contract began the week by sliding 7.5 cents yesterday, settling at \$1.774/MMBtu, and erasing much of the gains seen at the end of last week. All of the calendar strips through 2025 also moved down a penny or two. Production remains relatively flat, and we may have found a new normal, at least in the short term, around 86.5 Bcf/d. Total demand saw a day-over-day net increase, with power burn up 2.8 Bcf/d, currently around 33.6 Bcf/d. Most of that is in the Midwest and Northeast. Increased power burn is expected, as temperature predictions remain well above normal across the country in the 1-5 day outlook, but just how much is uncertain, as COVID restrictions remain in place in many major demand sectors. On the LNG front, total feedgas for exports is at the lowest levels since August 2019, amidst numerous cargo cancellations. Available supply continues to be larger than global demand, and prices across Asia and Europe are hovering just above record lows.

**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 6/2/2020)**

ISO-NE Mass Hub \$18.25	MISO Indiana Hub \$27.25	NYISO Zone G \$15.74
PJM West Hub \$20.46	ERCOT North \$22.54	CAISO SP15 \$32.91
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
Jul-20	1.774	-0.075
Aug-20	1.871	-0.069
12 Month	2.398	-0.038
Cal 21	2.636	-0.017
Cal 22	2.475	-0.009

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,612	2,503	1,834	2,189
Diff v. Current		109	778	423
% Diff			42.4%	19.3%

