

Early Morning Update

The Jul20 natural gas contract is trading up \$0.08 at \$1.86. The Jul20 crude oil contract is up \$0.09 at \$36.90.

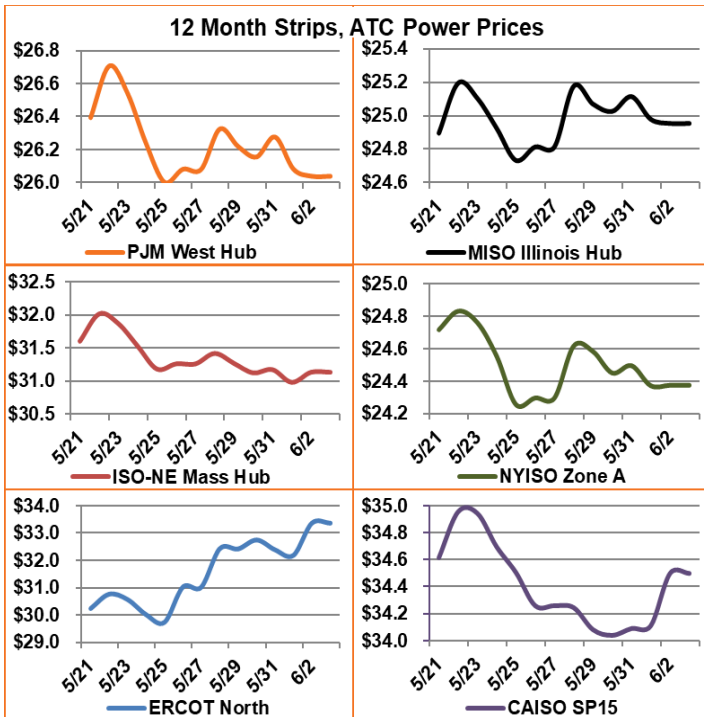
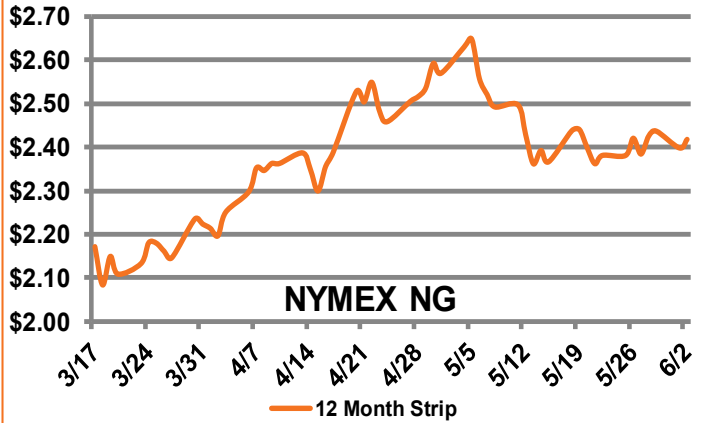
Summary: The NYMEX natural gas prompt month gained a meager \$0.003/MMBtu yesterday, opening the day at \$1.774/MMBtu and closing at \$1.777/MMBtu. As above-average temperatures are expected to take over a large swath of the country, demand for power burns is forecasted to jump 2.0 Bcf/d today. Much of that gain is expected in the Northeast. Production has remained relatively flat, hovering around 87 Bcf/d. Natural gas exports to Mexico have been slowly increasing over the past week, up about 0.5 Bcf/d to 5.4 Bcf/d today. Looking ahead, tomorrow's EIA storage report is expected to report another triple-digit injection that is greater than the 5-year average, somewhere in the neighborhood of 113 Bcf.

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 6/3/2020)

ISO-NE Mass Hub \$22.41	MISO Indiana Hub \$31.55	NYISO Zone G \$19.50
PJM West Hub \$28.49	ERCOT North \$28.00	CAISO SP15 \$39.20
NYMEX NG	Close	Change
Jul-20	1.777	0.003
Aug-20	1.876	0.005
12 Month	2.418	0.019
Cal 21	2.656	0.019
Cal 22	2.484	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%

