

Early Morning Update

The Jul20 natural gas contract is trading at \$1.86, up \$.04 from yesterday's close. The Jul20 crude oil contract is up \$1.61 at \$39.00.

Summary: A quiet day for the energy complex yesterday as the NYMEX prompt month traded up a mere \$.001 to close at \$1.822. Crude and power markets were also quiet. The EIA reported a build into storage of 102 Bcf yesterday, below expectation but traders did not seem to be in a mood for a rally because pricing barely moved. Market fundamentals have been mixed which is providing little direction to the market. NG supply is down, heat is picking up and power burn demand is increasing. But exports are down and industrial demand is still low. The economy is restarting but it's not clear if the pace will be linear and it's unclear when/if exports will resume to their pre-pandemic levels.

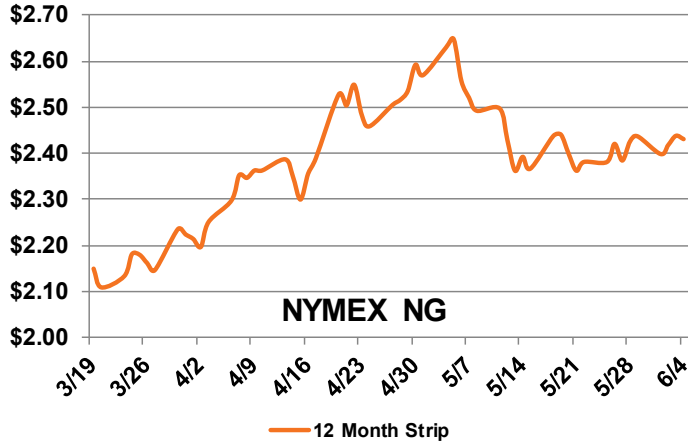
On the weather side, we're seeing some volatility along the east coast with cooler temps this week, then pockets of very high temps next week. Texas is forecasting very high temps next week with the potential for record demand levels for June. The potential for price spikes in Texas exists.

Bullish Factors

- Curtailed production
- Warmer normal temperatures
- Rising growth in exports

Bearish Factors

- Coronavirus impacts on demand
- Healthy storage levels
- Increasing renewables



Next Day On-Peak Power (traded for 6/5/2020)

ISO-NE Mass Hub \$26.33	MISO Indiana Hub \$32.68	NYISO Zone G \$24.19
PJM West Hub \$31.09	ERCOT North \$26.00	CAISO SP15 \$16.22

NYMEX NG	Close	Change
Jul-20	1.822	0.001
Aug-20	1.917	0.002
12 Month	2.431	-0.007
Cal 21	2.639	-0.016
Cal 22	2.469	-0.010

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,714	2,612	1,952	2,292
Diff v. Current		102	762	422
% Diff			39.0%	18.4%

