

Early Morning Update

The Aug20 natural gas contract is trading down \$0.09 at \$1.66. The Aug20 crude oil contract is up \$0.03 at \$39.30.

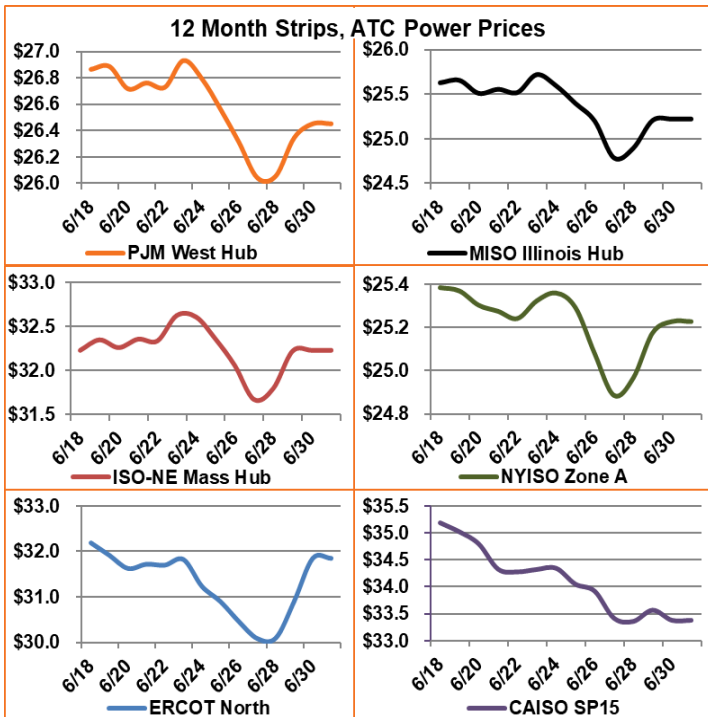
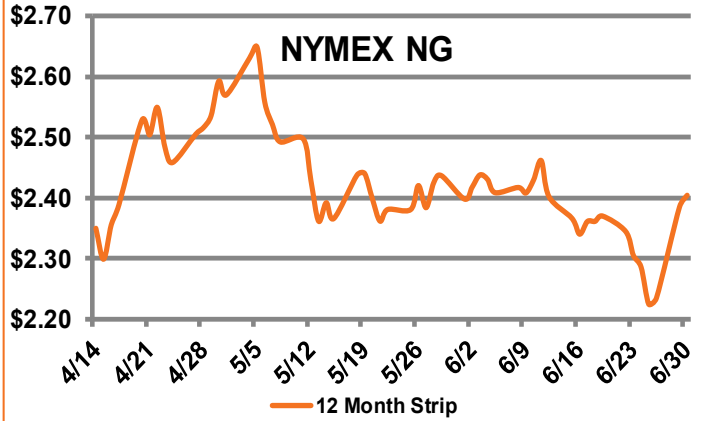
Summary: The NYMEX natural gas prompt month gained four cents yesterday, opening the day at \$1.709/MMBtu and closing at \$1.751/MMBtu. As the month of June comes to an end, heat waves across various regions of the country continue to bolster demand for natural gas via electric generation demand, also known as power burn. Power burn demand, specifically in the Northeast, has averaged nearly 1.2 Bcf/day higher for the month of June 2020 vs. June 2019. Several analysts see this rising trend as not only a function of higher temperatures, but also due to the growing number of natural gas-fired generators that have been added to the generation stack over recent years. Production of natural gas remains lower compared to its recent highs, averaging near 87 Bcf/day. Looking ahead, tomorrow's weekly storage report to be released by the U.S. energy Information Administration for the week to June 26 is expected to report an injection that is about 15 Bcf greater than the 65 Bcf 5-year average.

Bullish Factors

- Curtailed production
- Above-normal temperatures
- High power burns

Bearish Factors

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



Next Day On-Peak Power (traded for 7/1/2020)

ISO-NE Mass Hub \$22.88	MISO Indiana Hub \$32.55	NYISO Zone G \$22.66
PJM West Hub \$24.38	ERCOT North \$31.10	CAISO SP15 \$21.08
NYMEX NG	Close	Change
Aug-20	1.751	0.042
Sep-20	1.789	0.035
12 Month	2.404	0.019
Cal 21	2.612	0.010
Cal 22	2.429	0.002

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,012	2,892	2,273	2,546
Diff v. Current		120	739	466
% Diff			32.5%	18.3%

