

Early Morning Update

The Aug20 natural gas contract is trading down \$0.05 at \$1.83. The Aug20 crude oil contract is up \$0.13 at \$40.75.

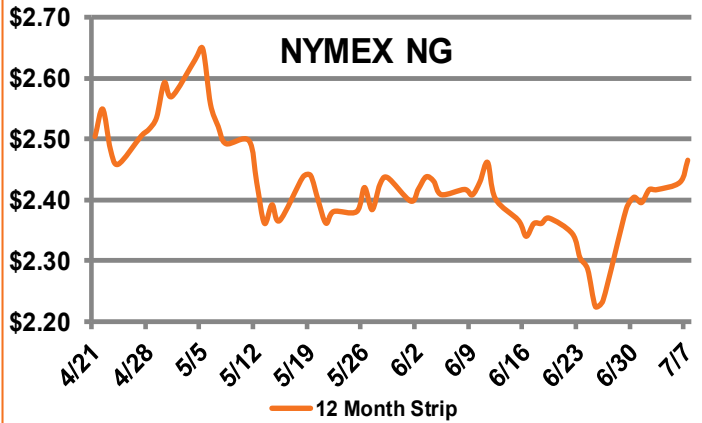
Summary: Yesterday marked the third day of upward movement for natural gas, as the prompt month contract gained 4.6 cents to close at \$1.876/MMBtu. The majority of the climb was in the near-term, as the balance of 2020 moved up 4.5 cents to \$2.20, and the 12-month strip gained 3.6 cents to \$2.465. Forward calendar strips showed little movement outside of 2021, which inched up 2.6 cents, with 2022 through 2026 remaining relatively flat. Production has been holding steady around the 87 Bcf/d mark, with a slight dip yesterday to 86.4 Bcf/d. Preliminary numbers for yesterday's production were much lower following Columbia Gas announcing a force majeure event on their MXP line in Kentucky that cut off 2.6 Bcf/d in north-to-south flows, providing bullish pressure on NYMEX. However, the majority of the flows were rerouted to other pipes, with the resulting drop accounting for a much smaller drop of ~0.7 Bcf/d for the day. On the demand side, overall domestic demand is essentially flat day-over-day, with only a minor drop in power burn. LNG feedgas demand continues to remain at a low level, now at 3.1 Bcf/d, a considerable fall from just a couple months ago when it peaked at 9.5 Bcf/d.

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 7/8/2020)

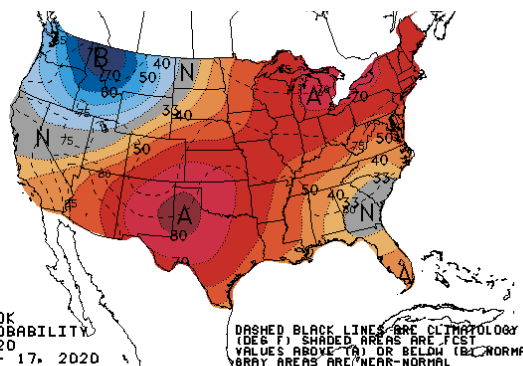
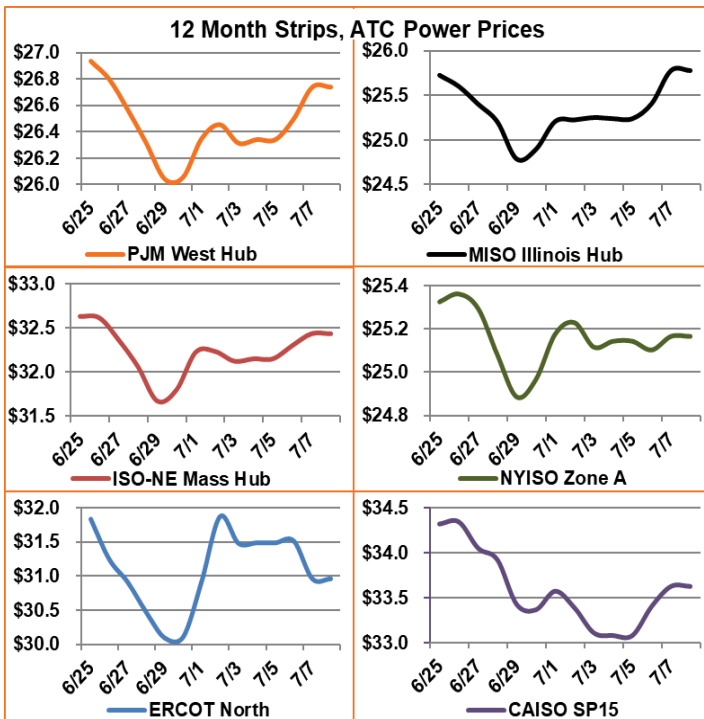
ISO-NE Mass Hub \$24.90	MISO Indiana Hub \$43.54	NYISO Zone G \$27.58
PJM West Hub \$33.90	ERCOT North \$25.00	CAISO SP15 \$26.28

NYMEX NG

	Close	Change
Aug-20	1.876	0.046
Sep-20	1.939	0.046
12 Month	2.465	0.036
Cal 21	2.636	0.026
Cal 22	2.448	0.008

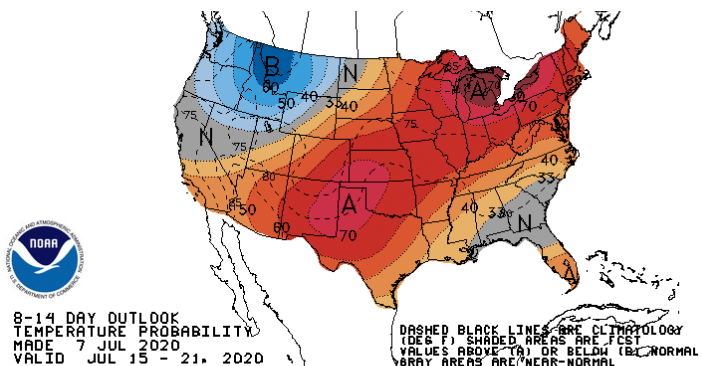
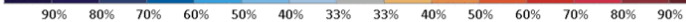
EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,077	3,012	2,365	2,611
Diff v. Current		65	712	466
% Diff			30.1%	17.8%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 7 JUL 2020
VALID JUL 13 - 17, 2020

DASHED BLACK LINES ARE CLIMATOLOGY
(DEG F) SHADED AREAS ARE FCST
VALUES ABOVE OR BELOW (DEG F) NORMAL
GRAY AREAS ARE NEAR-NORMAL



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 7 JUL 2020
VALID JUL 15 - 21, 2020

DASHED BLACK LINES ARE CLIMATOLOGY
(DEG F) SHADED AREAS ARE FCST
VALUES ABOVE OR BELOW (DEG F) NORMAL
GRAY AREAS ARE NEAR-NORMAL

