

Early Morning Update

The Aug20 natural gas contract is trading flat to yesterday's close at \$1.78. The Aug20 crude oil contract is down \$0.52 at \$39.10.

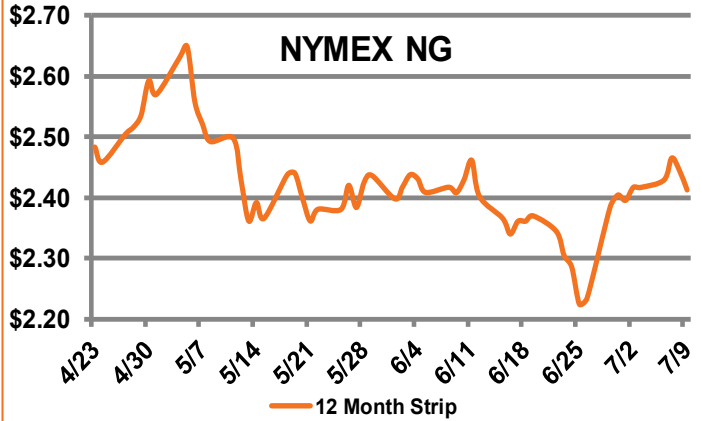
Summary: The slide in natural gas prices continued yesterday, despite hot temperatures in the Northeast and the Southwest, dipping production, and a below-average storage injection. The August '20 natural gas contract lost another 4.5 cents in trading on Thursday, settling at \$1.779/MMBtu. The prompt month has lost just under a dime in just the past two days, after rallying almost 17 cents since its debut a little over a week ago. U.S. dry production has slipped to below 87 Bcf/d the past few days, falling 1.0 Bcf/d over the last week on the heels of declining gas rig counts, which have fallen by seven this past week to 87 total. Yesterday, the U.S. Energy Information Administration reported a 56 Bcf storage injection for the week to July 3. Despite being in line with market estimates, the growth in natural gas storage for the reporting week was much less than the 83 Bcf build seen last year for the same week, as well as the 68 Bcf five-year average injection. Storage levels now stand at 3,133 Bcf, 454 Bcf (17%) higher than average. The latest end-of-season estimate is 3,985 Bcf, but could change significantly by then because of uncertainties around load growth, production, and weather.

Bullish Factors

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

Bearish Factors

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



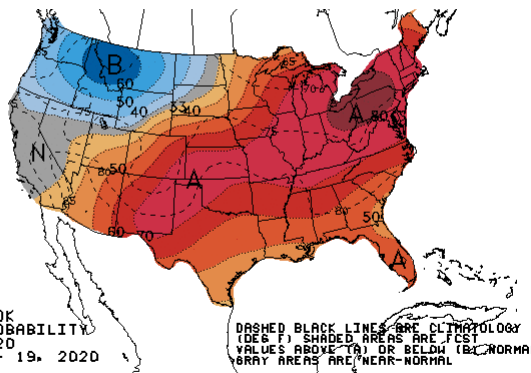
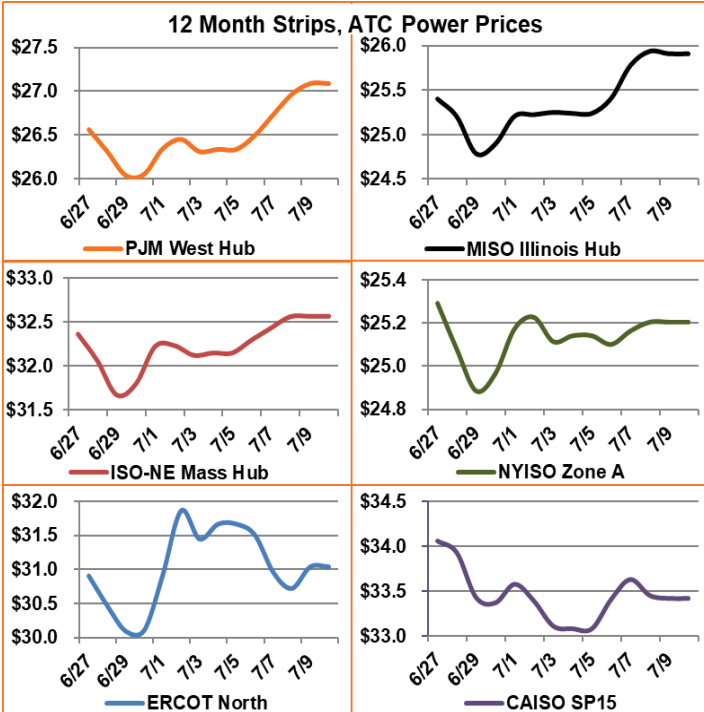
Next Day On-Peak Power (traded for 7/10/2020)

ISO-NE Mass Hub \$25.06	MISO Indiana Hub \$31.94	NYISO Zone G \$26.11
PJM West Hub \$31.89	ERCOT North \$35.00	CAISO SP15 \$39.61

NYMEX NG	Close	Change
Aug-20	1.779	-0.045
Sep-20	1.821	-0.055
12 Month	2.413	-0.032
Cal 21	2.609	-0.027
Cal 22	2.454	-0.009

EIA Natural Gas Storage

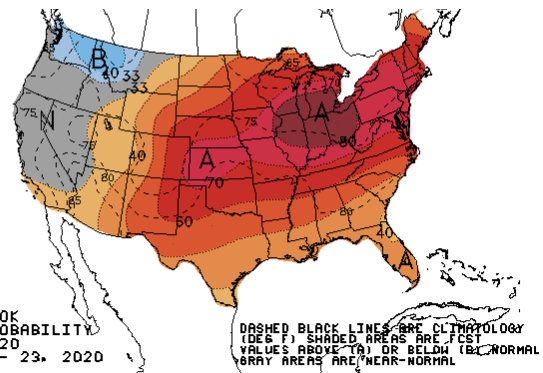
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,133	3,077	2,448	2,679
Diff v. Current		56	685	454
% Diff			28.0%	16.9%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 9 JUL 2020
VALID JUL 15 - 19, 2020

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

90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 9 JUL 2020
VALID JUL 17 - 23, 2020

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

90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%