

Early Morning Update

The Aug20 natural gas contract is trading down \$0.06 at \$1.66. The Aug20 crude oil contract is down \$0.29 at \$40.30.

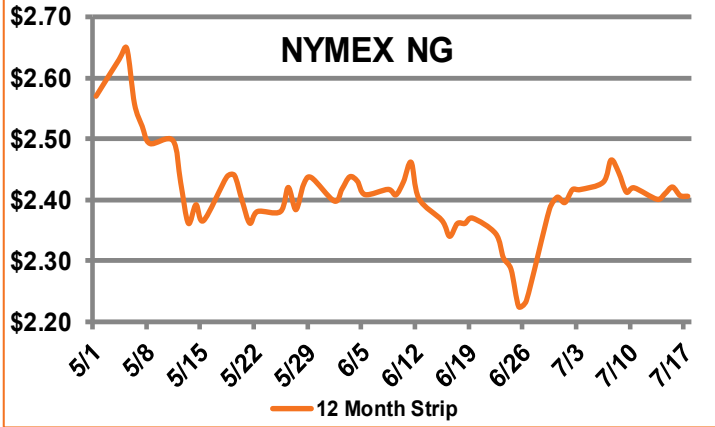
Summary: On Friday, the August 2020 NYMEX natural gas futures price barely budged, moving down just half of a cent and settling at \$1.718/MMBtu. The prompt month is down just under a dime week-over-week, the first loss over the past few weeks despite the heat seen last week for the majority of the country. Peak demand alerts were sent for today for PJM, NEPOOL, and NYISO, as many regions in the Northeast are expected to see high demand due to the hot temperatures. Through the end of this month, the blanket of heat covering the Northeast spreads westward into the Great Lakes region in the 6-10 day forecast. The 11-15 day outlook is showing the heat continuing to move to the west, covering the majority of the country with the exception of the bottom of the country from California to Florida. While this type of summer weather would normally prompt a rally to the gas and power markets as demand significantly increases due to cooling demand, it is currently muted due to lower industrial demand and LNG exports, which are only 1/3 of where we were at the start of this year. So far this month, U.S. dry production is averaging just over 87.0 Bcf/d, slowly creeping up despite the rig count declines, and down about 3.0 Bcf/d versus last year.

Bullish Factors

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

Bearish Factors

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

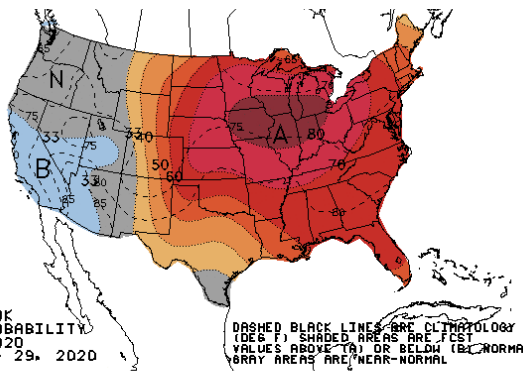
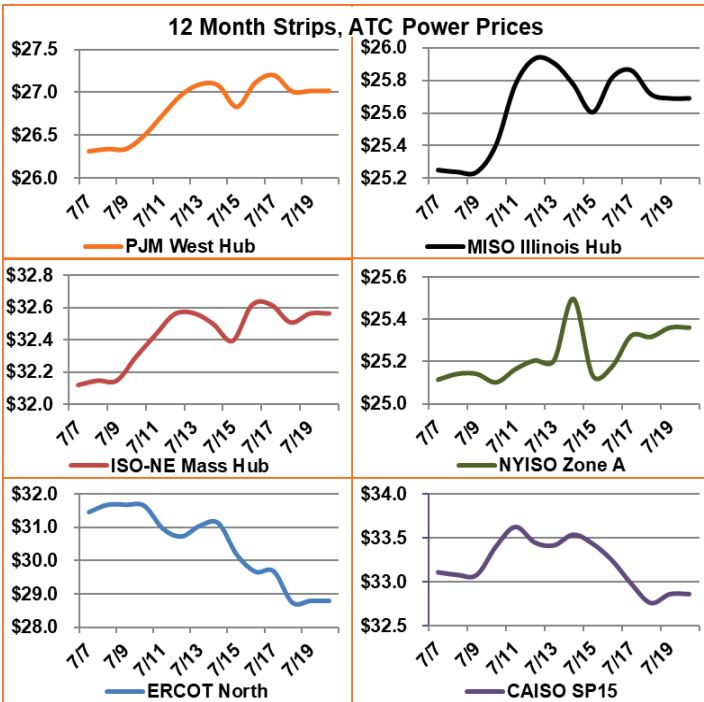


Next Day On-Peak Power (traded for 7/20/2020)

ISO-NE Mass Hub \$38.75	MISO Indiana Hub \$38.30	NYISO Zone G \$37.33
PJM West Hub \$48.13	ERCOT North \$25.43	CAISO SP15 \$29.93
NYMEX NG	Close	Change
Aug-20	1.718	-0.005
Sep-20	1.765	-0.011
12 Month	2.406	-0.001
Cal 21	2.615	0.001
Cal 22	2.457	-0.002

EIA Natural Gas Storage

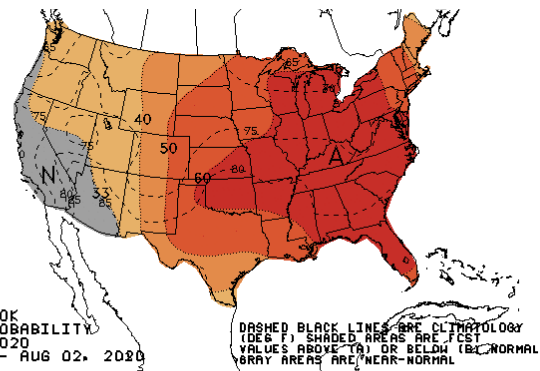
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,178	3,133	2,515	2,742
Diff v. Current		45	663	436
% Diff			26.4%	15.9%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 19 JUL 2020
VALID JUL 25 - 29, 2020

DASHED BLACK LINES ARE CLIMATOLOGY (DEB 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 19 JUL 2020
VALID JUL 27 - AUG 02, 2020

DASHED BLACK LINES ARE CLIMATOLOGY (DEB 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%