

Early Morning Update

The Aug20 natural gas contract is trading up \$0.02 at \$1.66. The Aug20 crude oil contract is up \$1.09 at \$41.90.

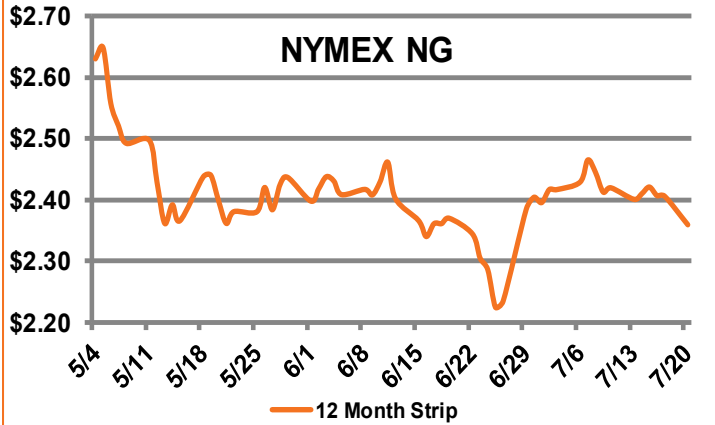
Summary: U.S. natural gas demand has fallen 2.5 Bcf/d since yesterday, going from 90.0 Bcf/d to 87.5 Bcf/d, and is expected to continue to drop throughout the week to 83.8 Bcf/d on Saturday. The main cause of the measured intraday drop in demand is power burn, which fell 2.2 Bcf/d on its own. On the supply side, total dry production is down 1.1 Bcf/d today from yesterday. The likely drop in both supply and demand has come as a result of temperatures hitting very high levels in the northern half of the country, pushing 100 degrees in major northeastern population centers yesterday. Though weather is still higher than normal today in most regions, we are seeing a gradual decrease, allowing for the fall in fundamentals. Even with hot temperatures being the main story of the day, the NYMEX natural gas contract for August has also been quite volatile. The change over the past two weeks is rather large for the prompt month, having fallen from \$1.876/MMBtu on July 7 all the way down to Monday's settle at \$1.641/MMBtu, a drop of almost 13%. The 2022-2025 calendar strips have seen much less volatility, gaining only a penny or two, while Cal '21 lost a nickel over the same period.

Bullish Factors

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

Bearish Factors

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

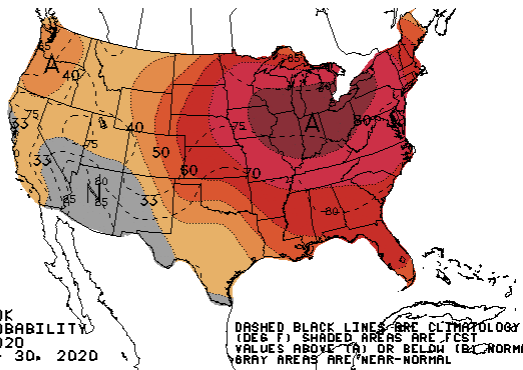
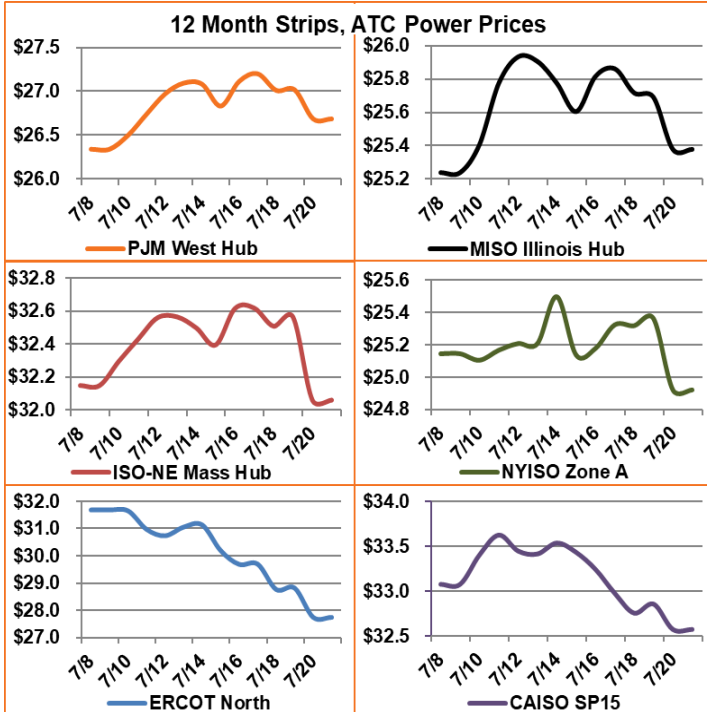


Next Day On-Peak Power (traded for 7/21/2020)

ISO-NE Mass Hub \$31.13	MISO Indiana Hub \$32.38	NYISO Zone G \$31.00
PJM West Hub \$35.61	ERCOT North \$23.43	CAISO SP15 \$29.06
NYMEX NG	Close	Change
Aug-20	1.641	-0.077
Sep-20	1.684	-0.081
12 Month	2.360	-0.046
Cal 21	2.591	-0.025
Cal 22	2.453	-0.004

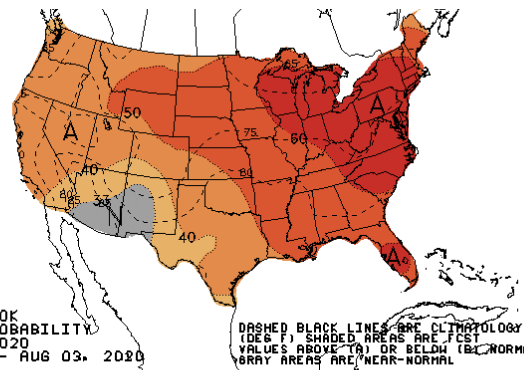
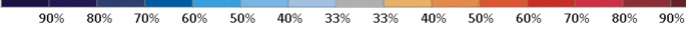
EIA Natural Gas Storage

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 20 JUL 2020
VALID JUL 26 - 30, 2020

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



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 20 JUL 2020
VALID JUL 28 - AUG 03, 2020

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

