

Early Morning Update

The Aug20 natural gas contract is trading down \$0.03 at \$1.78. The Sep20 crude oil contract is up \$0.21 at \$41.50.

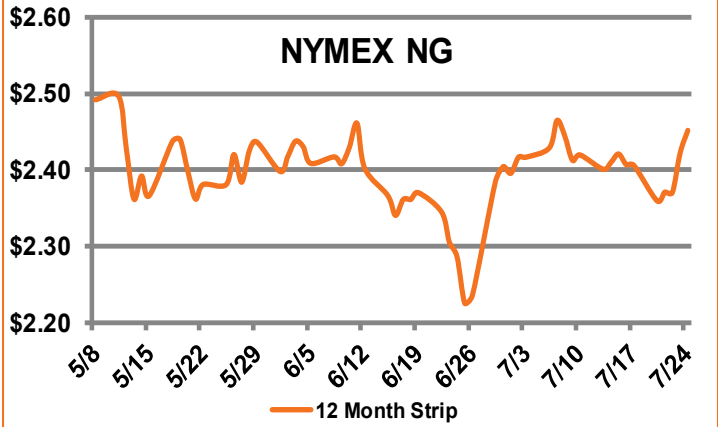
Summary: As we begin another week, we are greeted with a wild week of weather across the country. In TX, Hurricane Hanna made landfall on Saturday in South Texas with a 5-foot storm surge and forcing power outages for thousands of residents. The storm has since moved inland, but is unleashing significant rainfall over interior Mexico today. The hurricane's impact continues to be strong in TX, with temperatures running several degrees below normal for the next few days. The seemingly endless heat wave on the East Coast will peak again today, with potential for peak demand days across PJM, NEPOOL, and NYISO. Cities including Boston, Philadelphia, and New York City will all be in the mid to upper 90s, with little chance of thunderstorms today. The end to the heat is finally in sight, with forecasted temperatures by the weekend in the mid-80s for the region. The natural gas prompt month settled on Friday at \$1.808/MMBtu, and forward strips showed little movement over the week, with Cal '21 settling at \$2.62, and the '22-'24 calendar strips settling at \$2.47/\$2.44/\$2.47, respectively. Even with the hot weather driving short-term demand, it's clear that the COVID-19 pandemic overhang continues to weigh on forward prices.

Bullish Factors

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

Bearish Factors

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

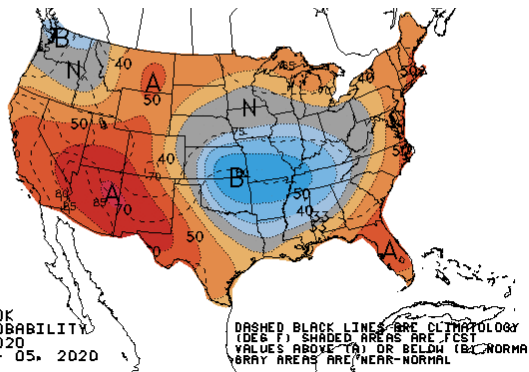
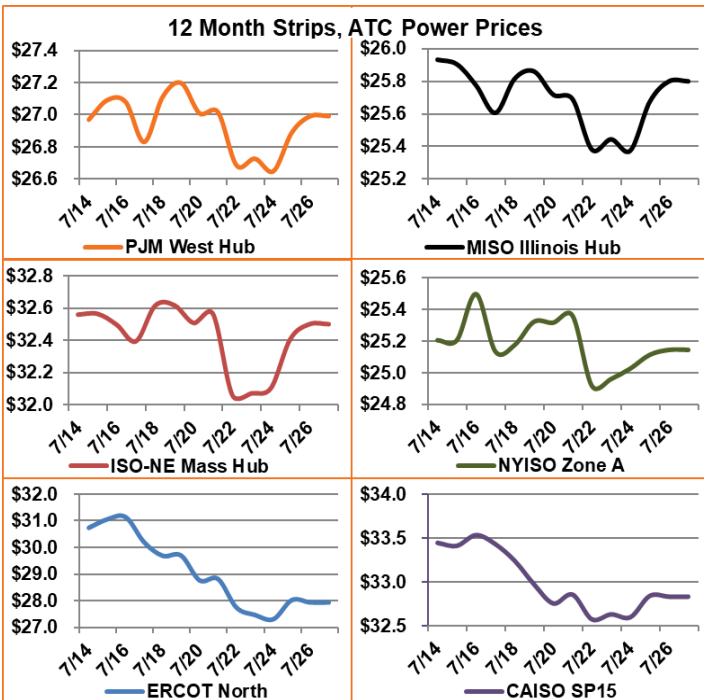


Next Day On-Peak Power (traded for 7/27/2020)

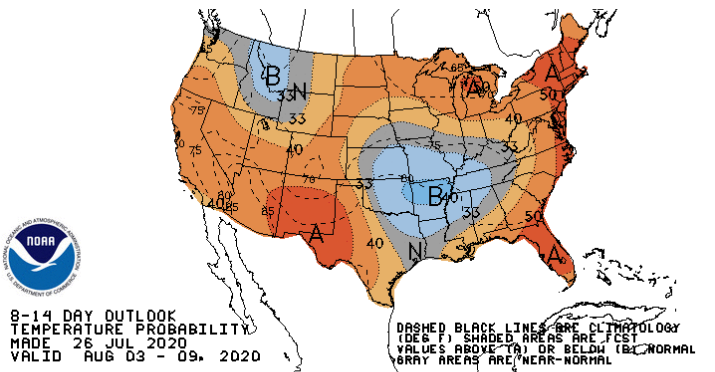
ISO-NE Mass Hub \$42.72	MISO Indiana Hub \$31.10	NYISO Zone G \$39.00
PJM West Hub \$39.98	ERCOT North \$23.00	CAISO SP15 \$32.79
NYMEX NG	Close	Change
Aug-20	1.808	0.023
Sep-20	1.867	0.032
12 Month	2.452	0.030
Cal 21	2.637	0.023
Cal 22	2.482	0.016

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,215	3,178	2,559	2,779
Diff v. Current		37	656	436
% Diff			25.6%	15.7%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 28 JUL 2020
VALID AUG 01 - 05, 2020



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 28 JUL 2020
VALID AUG 03 - 09, 2020