

**Early Morning Update**

The Jul20 natural gas contract is trading relatively flat to Friday's close at \$1.78. The Jul20 crude oil contract is down \$0.65 at \$38.90.

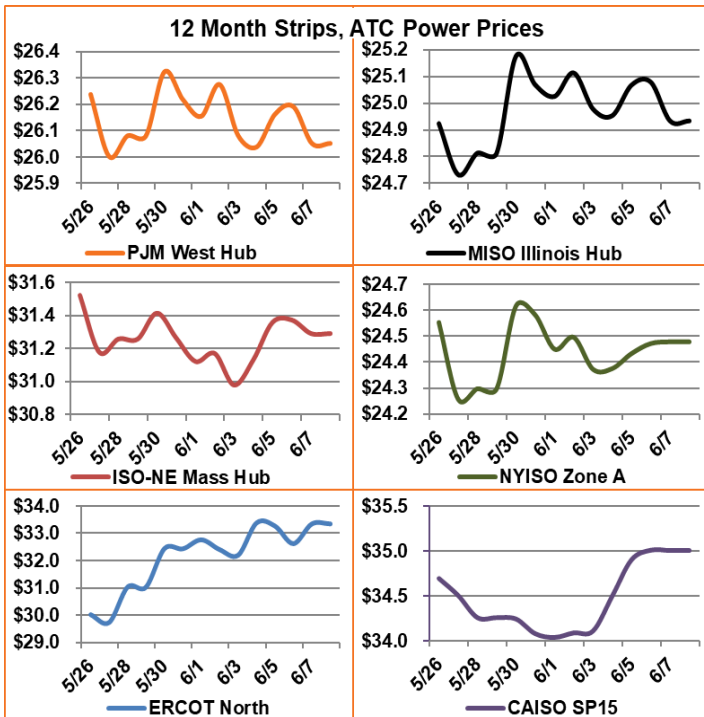
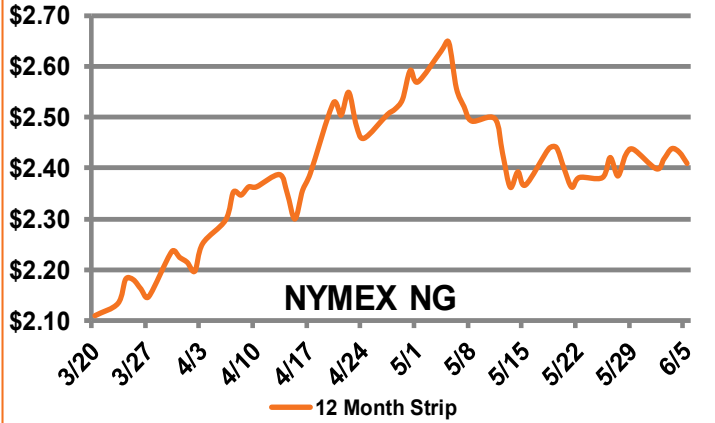
**Summary:** On Friday, the July 2020 NYMEX natural gas futures price fell four cents on the day to settle at \$1.782/MMBtu. Near-term pricing seems to be looking for some direction during this time, as the pandemic adds some uncertainty to the market and demand levels. With states slowly opening up, two questions remain: how quickly will we see demand return to "normal", and will there be a second wave of COVID-19? Weather forecasts have cooled slightly, but still show some warmer temps in the Northeast and Texas. The 6-10 day outlook shows cooler temps hovering around the Great Lakes, and the blanket of warmth stuck in the middle of the country. Tropical Storm Cristobal made landfall in Louisiana yesterday, and is expected to head towards the Midwest, bringing mostly heavy rain. Producers in the Gulf had evacuated 188 drilling platforms and rigs, shutting in about 35% of crude oil production (635,000 bbl/d) and 32% of natural gas production (878 MMcf/d) in preparation for the storm. U.S. dry production is averaging just over 86.0 Bcf/d so far this month.

**Bullish Factors**

- Curtailed production
- Warmer normal temperatures
- Rising growth in exports

**Bearish Factors**

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



**Next Day On-Peak Power (traded for 6/8/2020)**

ISO-NE Mass Hub \$17.91	MISO Indiana Hub \$27.00	NYISO Zone G \$17.51
PJM West Hub \$20.12	ERCOT North \$69.30	CAISO SP15 \$18.00
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Jul-20	1.782	-0.040
Aug-20	1.886	-0.031
12 Month	2.409	-0.022
Cal 21	2.626	-0.013
Cal 22	2.462	-0.007

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	2,714	2,612	1,952	2,292
<b>Diff v. Current</b>		102	762	422
<b>% Diff</b>			39.0%	18.4%

