

Early Morning Update

The Jul20 natural gas contract is trading down \$0.01 at \$1.75. The Jul20 crude oil contract is down \$0.76 at \$38.18.

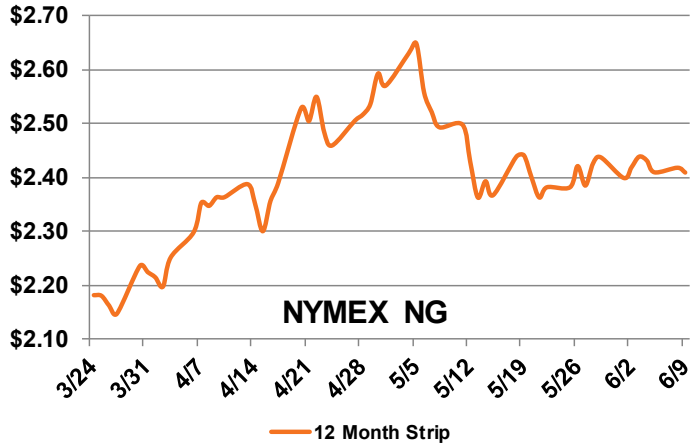
Summary: NYMEX was mixed yesterday with the near term trending down while the further out calendar strips inched higher. The prompt month July contract moved down 2.2 cents to close at \$1.767/MMBtu with the balance of the months in 2020 following closely behind as they lost an average of 2.1 cents. Outside of the near term, the market was largely flat with the twelve month strip and calendar strips 2021 through 2026 all moving less than a penny. The market is still in a backwardated state with pricing for 2021 (\$2.635) being the highest on the board until 2031. The forward calendar strips are also trading in a very narrow range of just 1.8 cents from 2023 to 2037. Production is projected to drop below 86 Bcf/d today, down to 85.9, which would represent a slight downward trend over the past 8 days. Demand is also off today with the majority of the drop in the power burn sector (own 2.9 Bcf/d) as the balmy temps yesterday are being replaced with cooler temps from Texas to the Northeast.

Bullish Factors

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

Bearish Factors

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



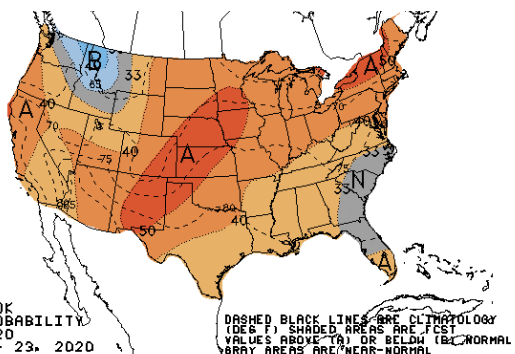
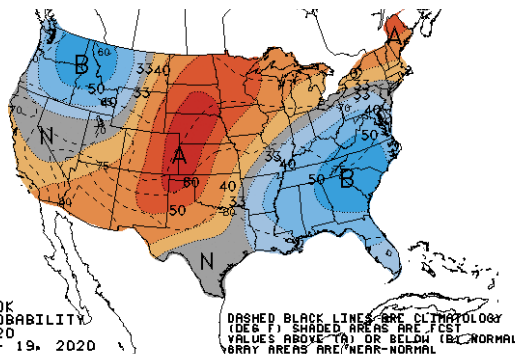
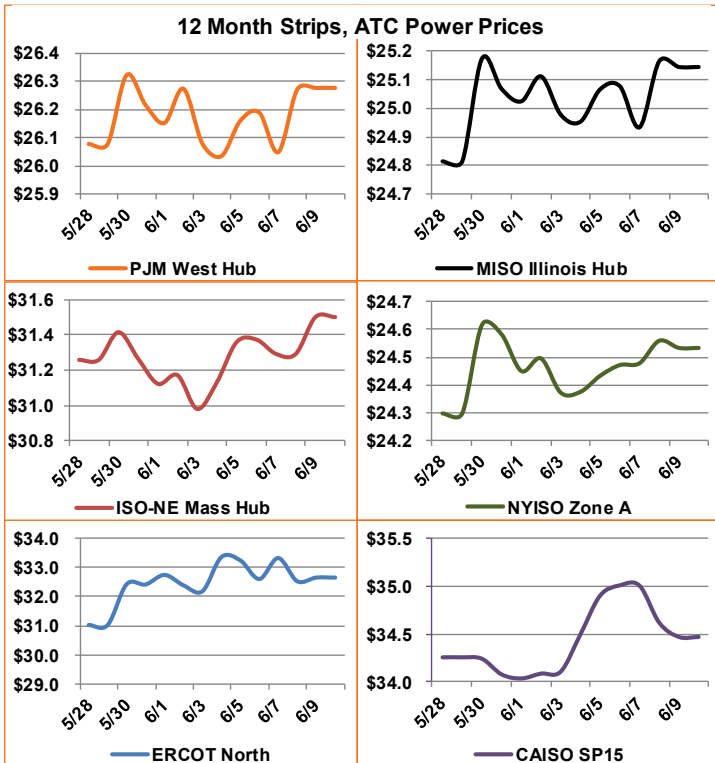
Next Day On-Peak Power (traded for 6/10/2020)

ISO-NE Mass Hub \$22.44	MISO Indiana Hub \$26.68	NYISO Zone G \$23.90
PJM West Hub \$30.42	ERCOT North \$23.50	CAISO SP15 \$28.81

NYMEX NG	Close	Change
Jul-20	1.767	-0.022
Aug-20	1.863	-0.029
12 Month	2.408	-0.009
Cal 21	2.635	0.005
Cal 22	2.464	0.007

EIA Natural Gas Storage

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



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



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

