

Early Morning Update

The Jul20 natural gas contract is trading down \$0.01 at \$1.65. The Jul20 crude oil contract is up \$0.52 at \$41.25.

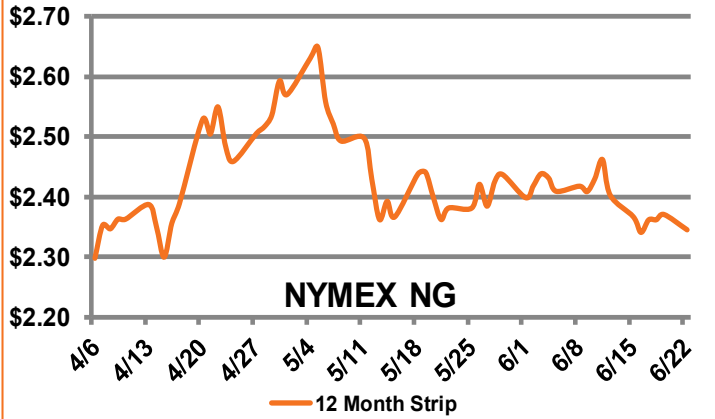
Summary: Rig counts are beginning to stabilize, as uncertainty begins to wear off in the market. Current oil prices hover around the \$41.50/bbl mark, but have been climbing back since hitting record lows. However, the possibility of returning oil prices could negatively impact natural gas once again. As more oil rigs return, associated gas production, or natural gas harvested as a by-product of oil drilling, will likely rise. While the natural gas rig count has also fallen from March levels, having a return of production by oil drillers would mean that a larger portion of the market share will be taken over and potentially push down prices even further. This theory is supported, not only by the increasing oil prices, but the slow and steady decreasing natural gas price for the near terms, which are currently sitting around \$1.65/mmBtu. Other than that, today's power burn has continued to dominate the demand side of natural gas at 36.6 Bcf/d, while both the res/comm and industrial sectors fall under historical averages at around 11.1 Bcf/d and 19.4 Bcf/d, respectively.

Bullish Factors

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

Bearish Factors

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

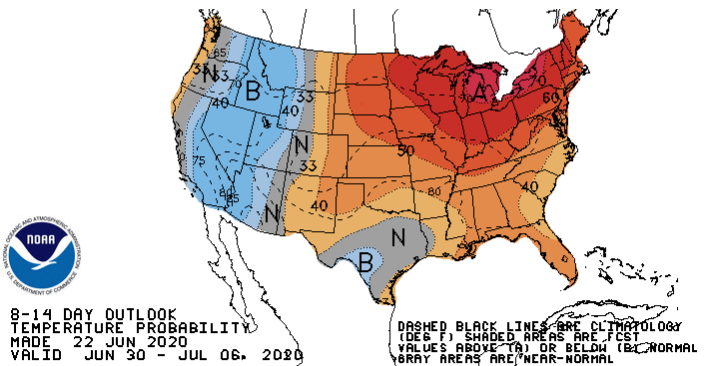
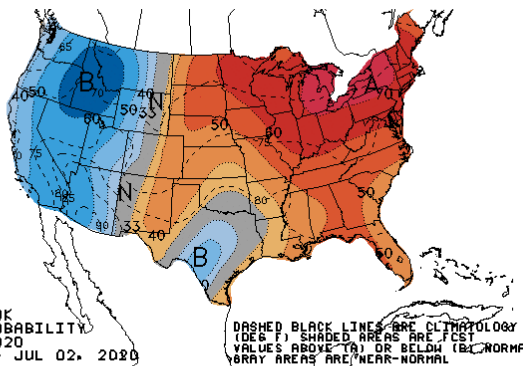
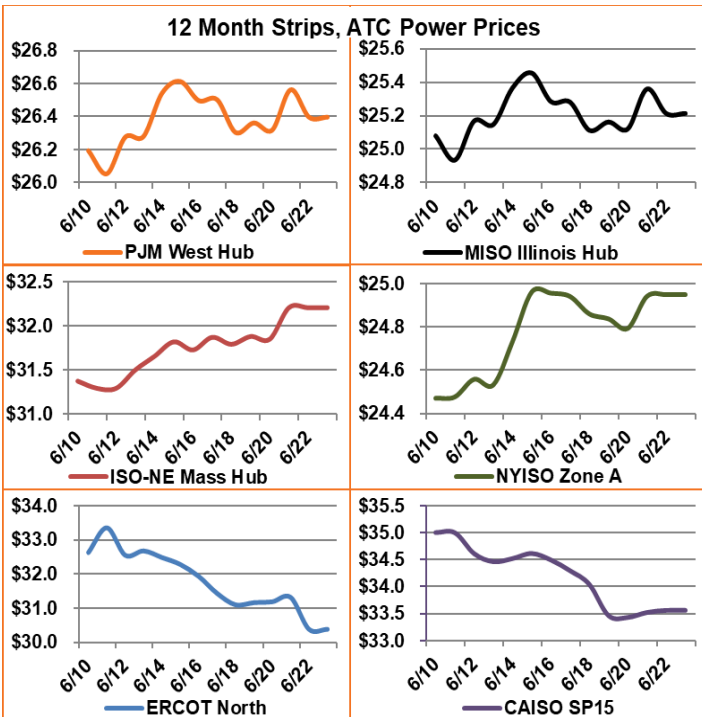


Next Day On-Peak Power (traded for 6/23/2020)

ISO-NE Mass Hub \$28.74	MISO Indiana Hub \$20.84	NYISO Zone G \$27.69
PJM West Hub \$25.04	ERCOT North \$19.20	CAISO SP15 \$32.28
NYMEX NG	Close	Change
Jul-20	1.664	-0.005
Aug-20	1.738	-0.010
12 Month	2.345	-0.025
Cal 21	2.625	-0.023
Cal 22	2.444	-0.002

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,892	2,807	2,170	2,473
Diff v. Current		85	722	419
% Diff			33.3%	16.9%



90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%

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