

Early Morning Update

The Jul20 natural gas contract is trading up \$0.02 at \$1.63. The Jul20 crude oil contract is up \$1.29 at \$40.13.

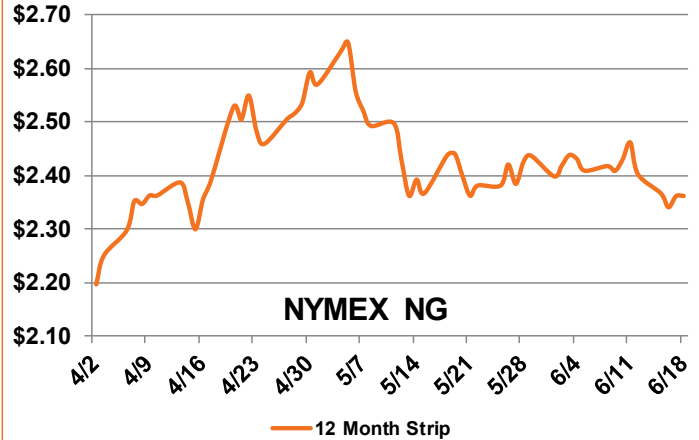
Summary: The NYMEX prompt month contract ended the day exactly flat to the prior day at \$1.638. Longer terms also saw very little movement as traders seemed to take the day off. The one news item of the day was the storage report, which was reported at 85 Bcf, nearly even with market expectations. Market fundamentals are also little changed this week with NG production steady at 86 Bcf/d, LNG exports down sharply and power burns on par with last year. Weather forecasts are showing some above-average temperatures along both coasts with some below-average temps in the middle of the country. Rising temps, coupled with increasing economic activity should lead to higher demand levels. Electricity demand levels have been down significantly since the start of the pandemic but have been recovering lately as economies re-open. Demand is still down roughly 5% but has been creeping higher. If demand ever fully recovers and higher temps remain then we could see index prices finally get out of the gutter

Bullish Factors

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

Bearish Factors

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



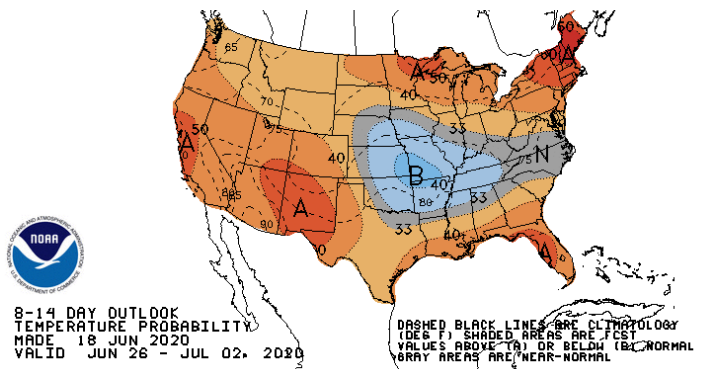
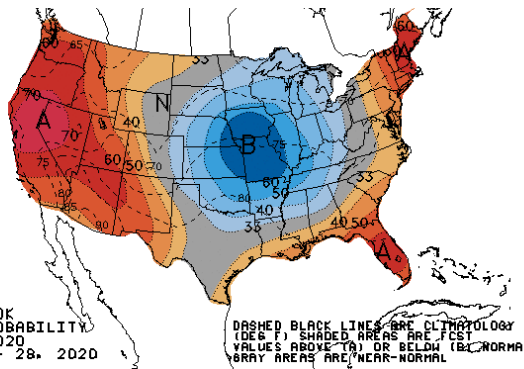
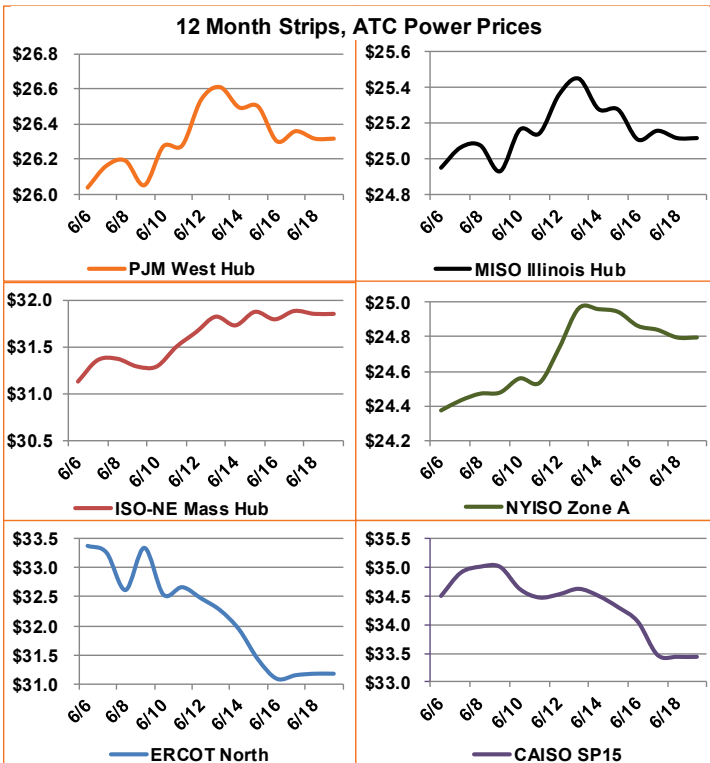
Next Day On-Peak Power (traded for 6/19/2020)

ISO-NE Mass Hub \$23.88	MISO Indiana Hub \$35.00	NYISO Zone G \$21.40
PJM West Hub \$23.54	ERCOT North \$20.59	CAISO SP15 \$20.00

NYMEX NG	Close	Change
Jul-20	1.638	0.000
Aug-20	1.728	0.001
12 Month	2.362	0.000
Cal 21	2.646	0.004
Cal 22	2.458	0.004

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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