

Early Morning Update

The Aug20 natural gas contract is trading down \$0.02 at \$1.72. The Aug20 crude oil contract is down \$0.80 at \$39.30.

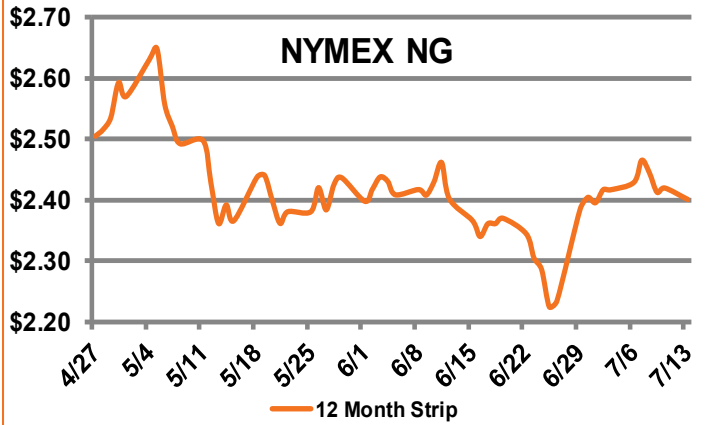
Summary: Previously, natural gas prices had been rallying with the prompt month on a weekly gain, but the trading day on Monday reversed a lot of those gains, losing over six cents and falling all the way to \$1.739/MMBtu. The higher volatility for natural gas prices has been primarily affecting the near-term, while strips further out are staying more constant. As far as weather goes, the temperatures are still above average, with Texans experiencing the highest deviation above average right now, and the areas around the Great Lakes expecting even higher temps starting in the next couple of days. Demand for natural gas has deteriorated somewhat, with power burn decreasing 0.3 Bcf/d day-over-day to 43.1 Bcf/d. Canadian imports have decreased 0.6 Bcf/d from yesterday to 3.7 Bcf/d, becoming the largest reason for the daily decrease of total supply falling by 0.7 Bcf/d. Year-over-year, we're still seeing power burn hold the line with an increase of 1.8 Bcf/d, propping itself up by being the replacement for coal-fired power plants. Every other major demand sector for natural gas has fallen or stayed flat.

Bullish Factors

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

Bearish Factors

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

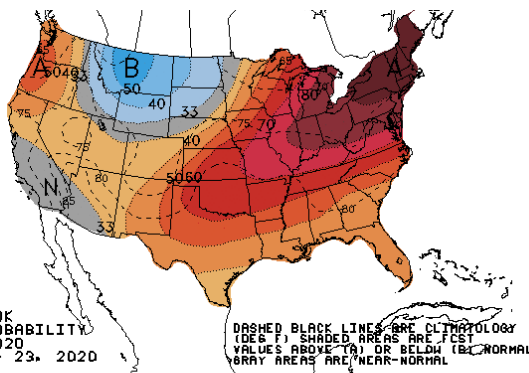
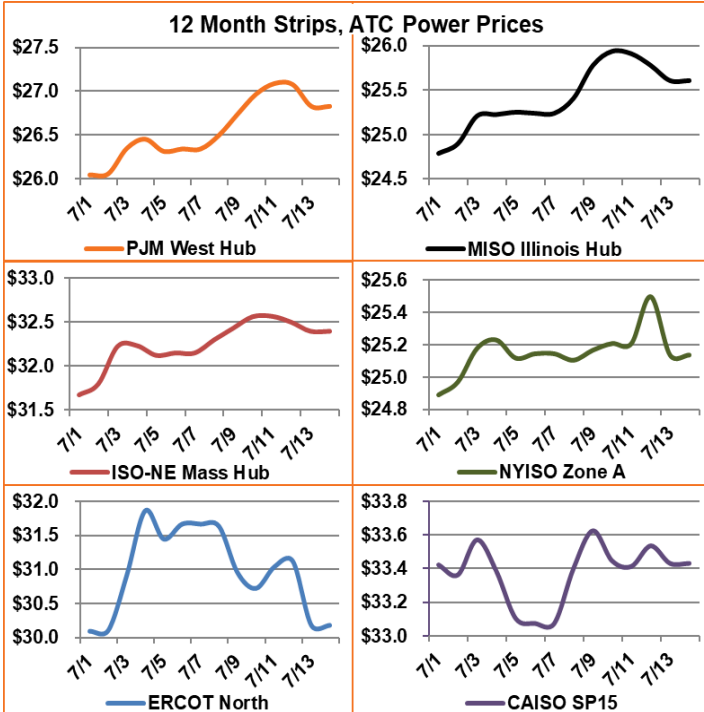


Next Day On-Peak Power (traded for 7/14/2020)

ISO-NE Mass Hub \$22.00	MISO Indiana Hub \$30.16	NYISO Zone G \$24.94
PJM West Hub \$28.61	ERCOT North \$23.50	CAISO SP15 \$33.91
NYMEX NG	Close	Change
Aug-20	1.739	-0.066
Sep-20	1.797	-0.050
12 Month	2.401	-0.019
Cal 21	2.595	-0.009
Cal 22	2.428	-0.014

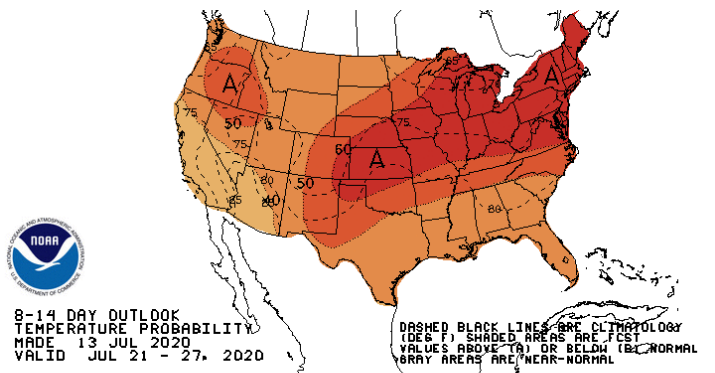
EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,133	3,077	2,448	2,679
Diff v. Current		56	685	454
% Diff			28.0%	16.9%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 13 JUL 2020
VALID JUL 19 - 23, 2020

DASHED BLACK LINES ARE CLIMATOLOGY
(DE & F) SHADED AREAS ARE FCST
VALUES ABOVE (A) OR BELOW (B) NORMAL
(GRAY AREAS ARE NEAR-NORMAL)



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 13 JUL 2020
VALID JUL 21 - 27, 2020

DASHED BLACK LINES ARE CLIMATOLOGY
(DE & F) SHADED AREAS ARE FCST
VALUES ABOVE (A) OR BELOW (B) NORMAL
(GRAY AREAS ARE NEAR-NORMAL)

