



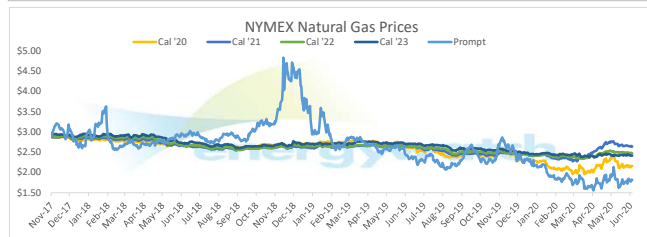
Week Ending: 6/19/2020

Weekly Update:

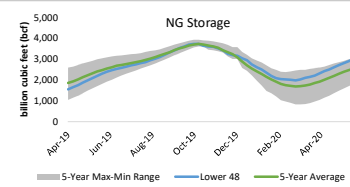
Jul20 natural gas prices are tumbling after Thursday's storage report. As of writing this, prices are trading down \$0.09 at \$1.51/MMBtu. Low demand, steady production, and strong natural gas storage levels are keeping natural gas prices close to historical lows. The EIA reported a huge increase in natural gas storage inventories in their weekly storage report for the week to June 19th. Storage increased by 120 Bcf in the reporting week rising to 3,012 Bcf. Stocks were 739 Bcf higher than last year at this time and 466 Bcf above the five-year average of 2,546 Bcf. The maximum gas recorded in storage was around 4,000 Bcf.

There have been increases in drilling efficiency and U.S. crude oil and natural gas production hit new records of 12.2 million barrels per day (b/d) and 111.5 billion cubic feet per day (Bcf/d) in 2019. Meanwhile, stocks suffered their steepest losses in two weeks, with the Dow falling about 700 points, or 2.7%. The S&P 500 and Nasdaq also fell more than 2%. 1.5 million workers filed new state unemployment claims last week, as businesses reopened but then virus cases spiked.

Natural gas pricing plays a key role in electricity power pricing due to the increasing reliance on natural gas fired generators as nuclear, coal, and oil generation is retired and mothballed. As the marginal unit of generation, gas prices are directly correlated to power pricing (more so in some regions such as NYC vs. others such as parts of PJM). We keep an eye on natural gas market fundamentals in order to provide insights into forward power pricing for our clients. Gas production has grown and surpassed any speculation that production would not be able to keep up with demand due to LNG and Mexican exports.

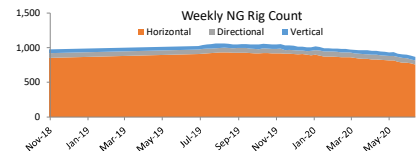


Natural Gas Storage Week Ending 6/19/2020	
Current Week Stocks (bcf)	3,012
Previous Week Stocks (bcf)	2,892
Implied Net Change (bcf)	120
Expected Net Change (bcf)	108
Variance (bcf)	12
Year-Ago Stocks (bcf)	2,273
Variance vs Prev. Year (%)	32.5%
5-Year Average (bcf)	2,546
Variance vs 5-YR Avg (%)	18.3%

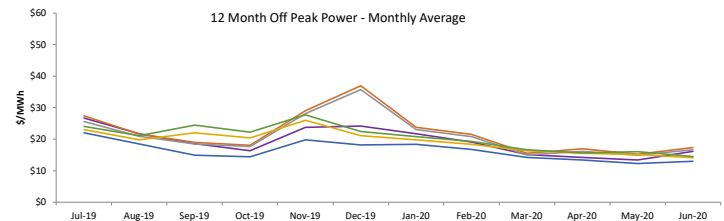
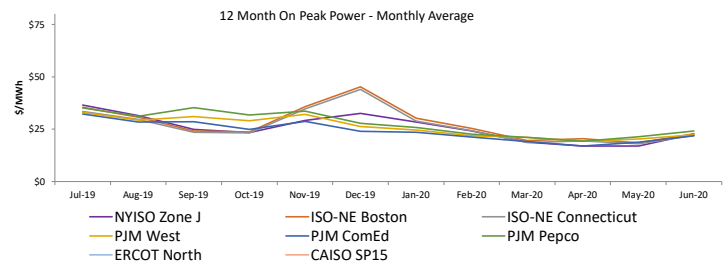


	\$/MMBtu	W-o-W Δ	Y-o-Y Δ
Prompt Month	\$1.482	-10.1%	-35.2%
12-Month	\$2.225	-4.9%	-9.0%
24-Month	\$2.370	-3.0%	-5.3%
Cal 20	\$1.863	-7.4%	-26.0%
Cal 21	\$2.567	-2.2%	-0.1%
Cal 22	\$2.413	-1.2%	-7.1%

Week Ending:	6/19/2020	W-o-W Δ
Oil Rigs	189	-2.9%
Gas Rigs	75	-2.2%
Vertical	52	0.0%
Horizontal	749	0.0%
Directional	54	0.0%



	Avg. Temp	Past 10 Weeks	Departure From Normal	CDD	HDD
Boston	77		7	12	0
Chicago	71		-1	6	0
Columbus	70		-3	5	0
Dallas	80		-3	15	0
Denver	74		3	10	0
Detroit	71		0	6	0
Hartford	81		0	16	0
Houston	81		-3	16	0
Indianapolis	71		-4	6	0
Las Vegas	94		5	29	0
Los Angeles	66		-1	1	0
Miami	89		6	24	0
Minneapolis	68		-4	3	0
New York City	83		8	18	0
Philadelphia	80		4	15	0
Phoenix	96		3	31	0
Salt Lake City	81		8	16	0
San Diego	66		-2	1	0
San Francisco	66		3	1	0
Seattle	70		7	5	0
St. Louis	74		-4	9	0
Washington D.C.	76		1	11	0



The information contained herein has been obtained from sources which EnergyWatch LLC believes to be reliable. EnergyWatch does not represent or warrant as to its accuracy or completeness. All representation s and estimates included herein constitute EnergyWatch's judgment as of the date of the presentation and may be subject to change without notice. This material has been prepared solely for informational purposes relating to our business as an energy management company. We are not providing advice regarding the value or advisability of trading in "commodity interests" as defined in the Commodity Exchange Act, 7 U.S.C. § 1-25, et seq., as amended (the "CEA"), including futures contracts, swaps or any other activity which would cause us or any of our affiliates to be considered a commodity trading advisor under the CEA. EnergyWatch does not make and expressly disclaims, any express or implied guaranty, representation or warranty regarding any opinions or statements set forth herein. EnergyWatch shall not be responsible for any reliance upon any information, opinions, or statements contained herein or for any omission or error of fact. All prices referenced herein are indicative and informational. This material shall not be reproduced (in whole or in part) to any other person without the prior written approval of EnergyWatch. Brand names and product names are trademarks or service marks of their respective holders. All rights reserved.

2014 - 2020 YTD Locational Marginal Pricing (LMPs)

