

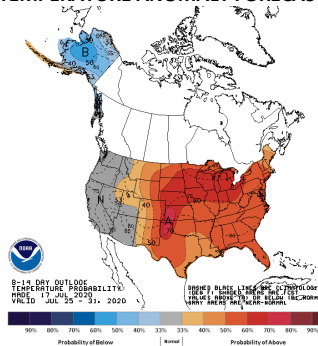


NATURAL GAS MARKET UPDATE

July 18, 2020

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NOAA 8 TO 14 DAY TEMPERATURE ANOMALY FORECAST:



NYMEX HENRY HUB SETTLEMENT PRICES:

7/18/20	Settle	Season	Year	Year	Year
Aug20	1.718	Aug20-Oct20	1.786	Cal 21	2.615
Sep20	1.765	Nov20-Mar21	2.711	Cal 22	2.456
Oct20	1.876	Apr21-Oct21	2.514	Cal 23	2.419
Nov20	2.350	Nov21-Mar22	2.720	Cal 24	2.424
Dec20	2.749	Apr22-Oct22	2.315	Cal 25	2.432
Jan21	2.874	Nov22-Mar23	2.592	Cal 26	2.440
Feb21	2.841	Apr23-Oct23	2.298	Cal 27	2.453
Mar21	2.740	Nov23-Mar24	2.593	Cal 28	2.504
Apr21	2.483	Apr24-Oct24	2.306	Cal 29	2.590

WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	7/10/2020	Build/(Draw)
Current Storage	3,178 Bcf	+45 Bcf
		Surplus/(Deficit)
Last Year Storage	2,515 Bcf	663 Bcf
5-Year Average	2,742 Bcf	436 Bcf
ICE Traded Markets:		ICE Settle:
Weekly Storage Inventory Number (07/23/2020)		+34 Bcf
End of Natural Gas Storage Swap (11/12/2020)		3,997 Bcf

DOMINION-SOUTH FIXED-PRICE MARKETS (NYMEX + ICE DOM-SOUTH BASIS):

Month	Price	Period	Price
Aug-20	1.2780	Aug20-Oct20	1.2263
Sep-20	1.1925	Nov20-Mar21	2.3128
Oct-20	1.2085	Apr21-Oct21	2.0362
Nov-20	1.8675	Nov21-Mar22	2.3318
Dec-20	2.3665	Apr22-Oct22	1.8469
Jan-21	2.4865	Nov22-Mar23	2.2135
Feb-21	2.4685	Aug20-Jul21 (1-year)	1.9636
Mar-21	2.3750	Calendar 2021	2.1725
Apr-21	2.1380	Calendar 2022	2.0253
May-21	2.0425	Calendar 2023	1.9893
Jun-21	2.0425	Calendar 2024	1.9746
Jul-21	2.0975	Calendar 2025	1.9641

FRONT-MONTH NYMEX NG FUTURES 240-MIN CHART:



COG Inc. © 2020 NGEQ20,240 | 07/18/2020 09:06:27, COG 21.6.8021 Alpha

DAILY CASH MARKET PRICES (for GD18-GD20):

Columbia Gas Transmission (TCO)	1.540
Dominion South Point	1.315
Henry Hub	1.725
Leidy Line receipts (Transco)	1.350
Tetco M3	1.840
Transco Station 85 (Zone 4)	1.740
Transco Zone 5 South	1.820
Waha	1.455

Market Commentary: Last week finished up with a move back above 1.80 on Friday after a trip down into the mid-1.70's on Thursday for the front-month Aug20 Nymex contract. The 1.80's proved to be a little too rich for this week though, with prices gapping down into the upper 1.70's this past Sunday evening, before regaining 1.80 on Monday AM, as the country continues to deal with widespread heat that is keeping cooling loads elevated. That we have been unable to hold above \$1.80 despite the high CDD counts that are expected to persist through the end of this month is a cautionary signal and suggests the market wants to go lower, and once the bullish underpinnings of the weather outlook begin to recede, the support the market has been finding in the 1.70 area this week may cease to remain an area of support. Since mid-May prompt NG has been unable to regain the 1.90 level for more than a fleeting moment, and last week's heat-induced attempt met that fate as the market contends with the excess supply resulting from the lost feedgas demand that we have been dealing with for the past few months. The EQT shut-in of 1.4 Bcf/day announced back in May helped offset that somewhat, which they expected to last at least through the end of June, but that production has largely returned at this point, into a market that has more supply than demand. This week's storage report offered some promise for those still bullish the natural gas market, but despite the weekly injection coming in on the low end of expectations at just +45 Bcf, marking our smallest weekly injection since April and the 3rd smallest of the injection season to-date, prices failed to respond with any enthusiasm, and instead sellers seized the moment and knocked the market back down into the low 1.70's once again. LNG traders have begun to use floating storage on LNG tankers as a means to profit from the wide spreads between spot and forward natural gas contracts, with shipping rates depressed enough to allow some to store gas on a tanker for a few months and capture the resulting profit from the contango. The number of LNG tankers engaged in this activity had grown to over 25 ships as of last week, which was typically a practice more common among the oil trading community, but as the LNG trade grows and natural gas becomes more global, it makes sense and will likely continue. The 8 to 14 day outlook from NOAA continues to show widespread heat for most of the country, and the outlook for August is for more above normal temperatures, though the magnitude is unclear at this point. Power burns have been a bright spot for the market, holding above 40 Bcf/day, which hopefully will continue next month, given that more than 40 cargoes have already been canceled from US export terminals for the month.

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