

Early Morning Update

The May '21 natural gas contract is trading down \$0.08 at \$2.56. The May '21 crude oil contract is down \$1.45 at \$60.00.

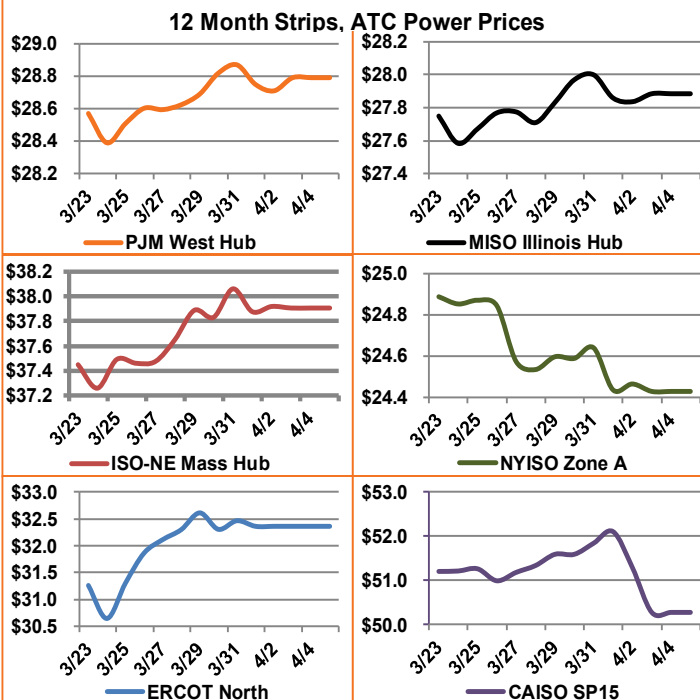
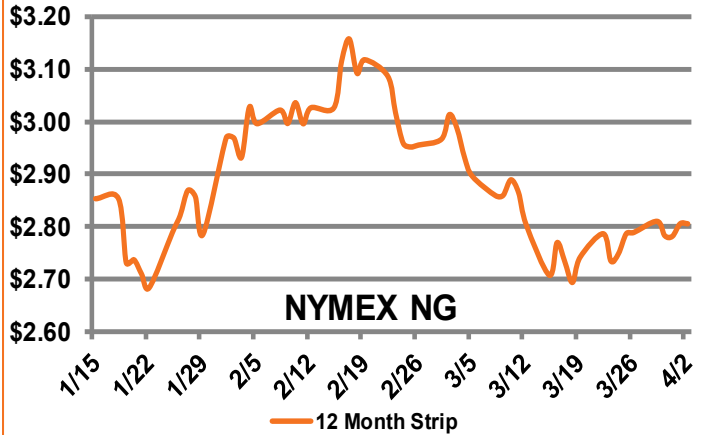
Summary: The April 2021 NYMEX natural gas contract expired on Monday last week, ultimately settling at \$2.586/MMBtu, while the May 2021 contract debuted as the prompt month on Tuesday. The market was closed on Friday, resulting in a shortened week of trading. All in all, the prompt month gained eight cents over the week to close out Friday at \$2.639/MMBtu. As for the calendar year strips, 2022, 2023, and 2024 all gained 1.5 cents, 2.8 cents, and 4.0 cents, respectively. As far as fundamentals go, production of natural gas continues to hover around 92 Bcf/day, while demand was lifted last week by a cooldown across the Midwest and Northeast regions, pushing total demand over 100 Bcf/day for short spell. A monster jobs report was released for March 2021 showing the U.S. economy added 916,000 payrolls, far exceeding expectations, and also the best print since August. In addition, President Biden announced the first phase of his "Build Back Better" initiative, unveiling "The American Jobs Plan." The plan has several initiatives centered around electric vehicles, clean energy, and general climate resilience.

Bullish Factors

- Near-record LNG exports
- High exports to Mexico
- Storage deficits

Bearish Factors

- Coronavirus impacts on demand
- Strong production
- Milder weather



Next Day On-Peak Power (traded for 4/5/2021)

ISO-NE Mass Hub \$30.38	MISO Indiana Hub \$26.10	NYISO Zone G \$24.49
PJM West Hub \$26.35	ERCOT North \$20.00	CAISO SP15 \$27.93
NYMEX NG	Close	Change
May-21	2.639	0.031
Jun-21	2.697	0.030
12 Month	2.806	0.024
Cal 22	2.647	0.010
Cal 23	2.550	0.007

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,764	1,750	1,989	1,800
Diff v. Current		14	-225	-36
% Diff			-11.3%	-2.0%

