

Early Morning Update

The May '21 natural gas contract is trading up \$0.03 at \$2.49. The May '21 crude oil contract is down \$0.23 at \$59.10.

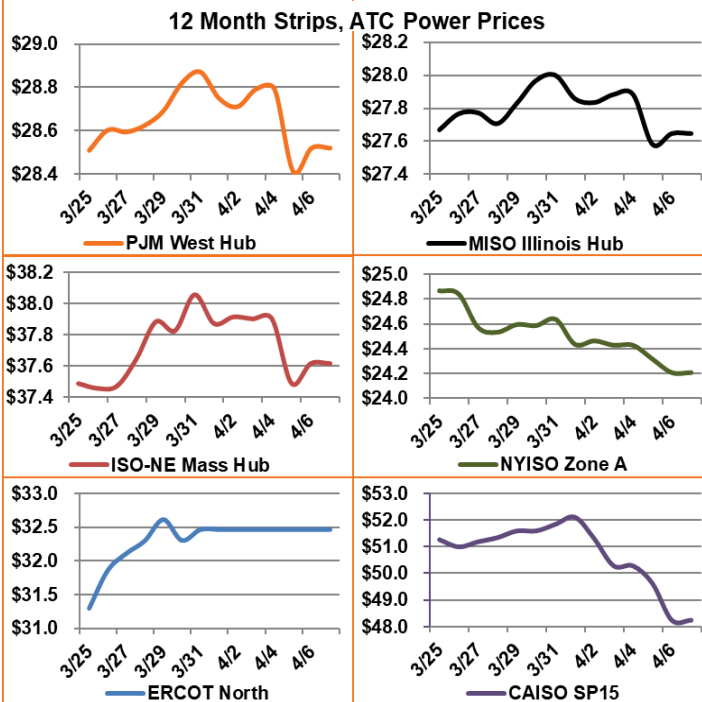
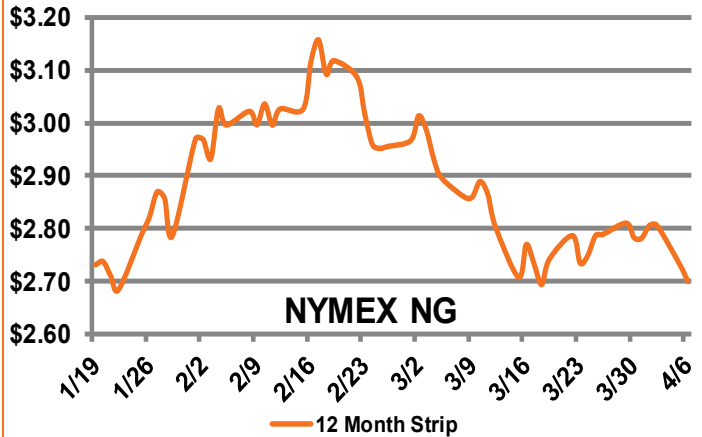
Summary: Yesterday's NYMEX natural gas trading session saw a swing to the downside after initially trading higher early in the day. The May prompt month contract moved six cents higher at one point, compared to the prior day's close, but ultimately closed down five and half cents at \$2.456/MMBtu. There was similar movement through the near-term months, with the 12-month strip moving down three cents, and the next calendar strip on the board, 2022, dropping just over a penny to \$2.615. The further out calendar strips all moved down around one to two cents, with the exception of 2026, which remained flat on the day. Calendar 2023 remains the low point at \$2.519, with 2024 not far behind at \$2.54. On the fundamentals side, domestic demand remained subdued, with yesterday hitting a recent low point and nearly 21 Bcf lower than the first of the month, with the largest drop occurring in the residential/commercial sector on the softening weather-related demand. Domestic production has moved below 92 Bcf/d over the past couple of days with the output from Texas lowering. However, the 30-day average of 92.5 Bcf/d is still quiet a ways above the 88.3 Bcf/d prior 30-day period.

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 4/7/2021)

ISO-NE Mass Hub \$24.80	MISO Indiana Hub \$30.82	NYISO Zone G \$21.49
PJM West Hub \$27.86	ERCOT North \$46.15	CAISO SP15 \$23.65
NYMEX NG	Close	Change
May-21	2.456	-0.055
Jun-21	2.536	-0.046
12 Month	2.700	-0.031
Cal 22	2.616	-0.012
Cal 23	2.519	-0.013

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%

