

**Early Morning Update**

The May '21 natural gas contract is trading up \$0.05 at \$2.58. The May '21 crude oil contract is up \$0.68 at \$60.00.

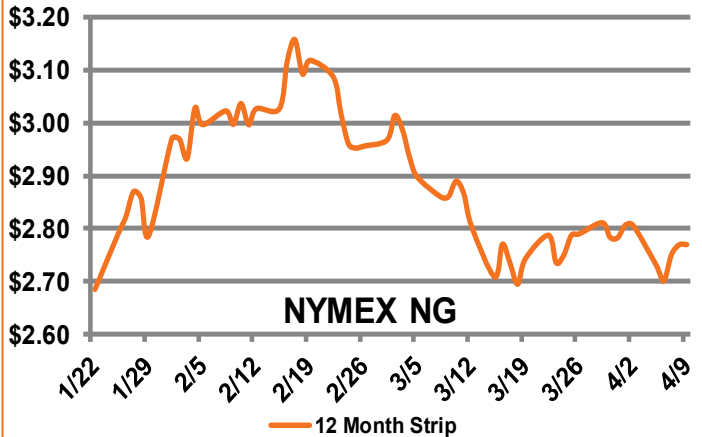
**Summary:** As a new week begins, weather is the major headline, with major changes coming to most of the country after last week's near-record highs across the eastern U.S. In some Midwestern cities, they'll see 20-30° temperature drops, down from the 80s to the 50s, with some snow potential in the Rockies. The East Coast will be in an active pattern, with daily chances for clouds and rain limiting the high temperatures to the low 60s. In other weather news, NOAA released its 2021 hurricane forecast and predicted another busy season – 17 storms with 8 hurricanes. In the report, it highlighted concerns around the Gulf of Mexico and the potential for a repeat of last year's large disruptive hurricanes that entered the gulf in October (Laura, Sally, Delta, and Zeta) and subsequent impact to offshore production and LNG terminals. As the market digests these updates, NYMEX Q3 '21 continues to show weakness. Since March 1st when it traded at \$2.94/MMTBU, it has since settled at \$2.72/MMBtu on Friday – a 10% drop over 6 weeks. With summer forecasts scheduled to be released over the coming weeks, it will be interesting to see if Q3 continues to push lower toward the prompt, around \$2.50, or will rise back to \$3 due to potential risk.

**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 4/12/2021)**

<b>ISO-NE Mass Hub</b> \$27.75	<b>MISO Indiana Hub</b> \$29.23	<b>NYISO Zone G</b> \$27.19
<b>PJM West Hub</b> \$27.18	<b>ERCOT North</b> \$34.80	<b>CAISO SP15</b> \$30.14
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
May-21	2.526	0.004
Jun-21	2.605	-0.002
12 Month	2.769	0.001
Cal 22	2.660	0.001
Cal 23	2.543	0.006

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	1,784	1,764	2,019	1,808
<b>Diff v. Current</b>		20	-235	-24
<b>% Diff</b>			-11.6%	-1.3%

