

**Early Morning Update**

The Jun '21 natural gas contract is trading up \$0.03 at \$2.94. The Jun '21 crude oil contract is down \$1.39 at \$63.62.

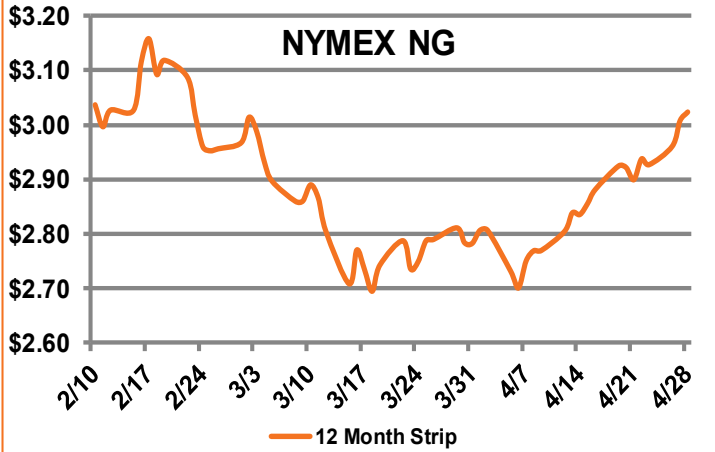
**Summary:** This whole week with the exception of Thursday, there has been a bullish movement for NYMEX natural gas contracts up through at least calendar strip 2022. Thursday's contrary movement came following the EIA's storage report, showing a slightly higher injection than forecasted: 13Bcf prediction with 15Bcf actual injection. Further contango markets, or markets that see prices going higher from term to term, are likely reflecting much of the concern for the current storage situation in which we currently are at a deficit to the 5-year average. As a result, many of the midcon and eastern markets have seen ticks up in pricing due to their reliance on natural gas for power burn. Another market that has seen bullish movement is in US oil prices which have hit over \$65/Bbl. With prices being significantly more profitable now for domestic crude producers, more production is going to be incentivized. Associated gas then could make a larger portion of the production as a byproduct of oil drilling, also increasing total U.S. production of natural gas.

**Bullish Factors**

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

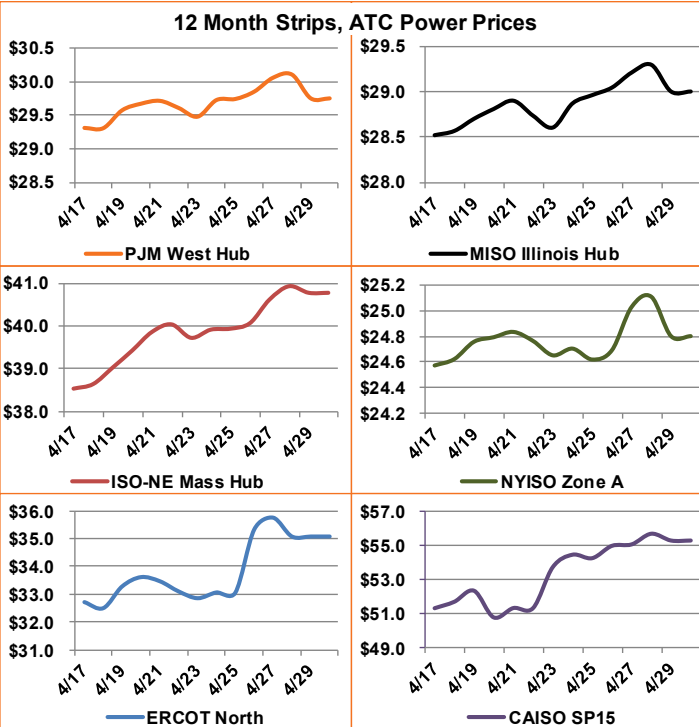
**Bearish Factors**

- Coronavirus impacts on demand
- Strong production
- Milder weather



**Next Day On-Peak Power (traded for 4/30/2021)**

ISO-NE Mass Hub \$27.08	MISO Indiana Hub \$30.40	NYISO Zone G \$27.93	
PJM West Hub \$27.03	ERCOT North \$34.23	CAISO SP15 \$22.45	
NYMEX NG		Close	Change
Jun-21	2.911	-0.049	
Jul-21	2.961	-0.050	
12-Month	2.955	-0.035	
Cal 22	2.739	-0.008	
Cal 23	2.580	-0.002	



**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,898	1,883	2,200	1,938
Diff v. Current		15	-302	-40
% Diff			-13.7%	-2.1%

