

Early Morning Update

The Apr21 natural gas contract is trading down \$0.04 at \$2.73. The Apr21 crude oil contract is down \$1.05 at \$62.48.

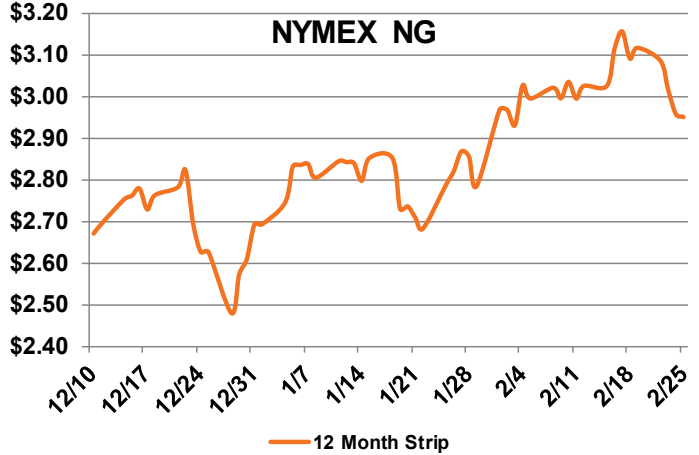
Summary: After a chaotic last couple of weeks, the market is starting to return to normalcy while impacts of the arctic cold are beginning to be understood. Yesterday the EIA reported a massive 338Bcf withdrawal, placing in as the second highest withdrawal in American history. While final forecasts ended 5Bcf below the actualized number, early predictions foresaw nearly 30Bcf more being pulled out of storage. With a trading range of nearly \$0.33/MMBtu since the start of February, the April contract declined only \$0.018/MMBtu yesterday, demonstrating that massive withdrawal was already priced into the market. Power market index prices are largely back to normal as natural gas production and supply bounced back rapidly while other electric generators are returning to full functionality. Thankfully this seems to be the trend for the near future as weather forecasts are calling for a normal to warmer than normal south, midcon, and northeast regions. Sadly California appears to have tiny bits of lingering cold, but not nearly as drastic as what mid-February brought.

Bullish Factors

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

Bearish Factors

- Coronavirus impacts on demand
- Strong production
- Mild weather



Next Day On-Peak Power (traded for 2/26/2021)

ISO-NE Mass Hub \$31.20	MISO Indiana Hub \$23.55	NYISO Zone G \$29.28
PJM West Hub \$23.90	ERCOT North \$23.81	CAISO SP15 \$20.50

NYMEX NG	Close	Change
Mar-21	2.777	-0.018
Apr-21	2.809	-0.013
12 Month	2.952	-0.012
Cal 22	2.666	-0.013
Cal 23	2.516	-0.011

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,943	2,281	2,241	2,104
Diff v. Current		-338	-298	-161
% Diff			-13.3%	-7.7%

