

Early Morning Update

The Apr21 natural gas contract is trading down \$0.03 at \$2.78. The Apr21 crude oil contract is up \$1.22 at \$62.50.

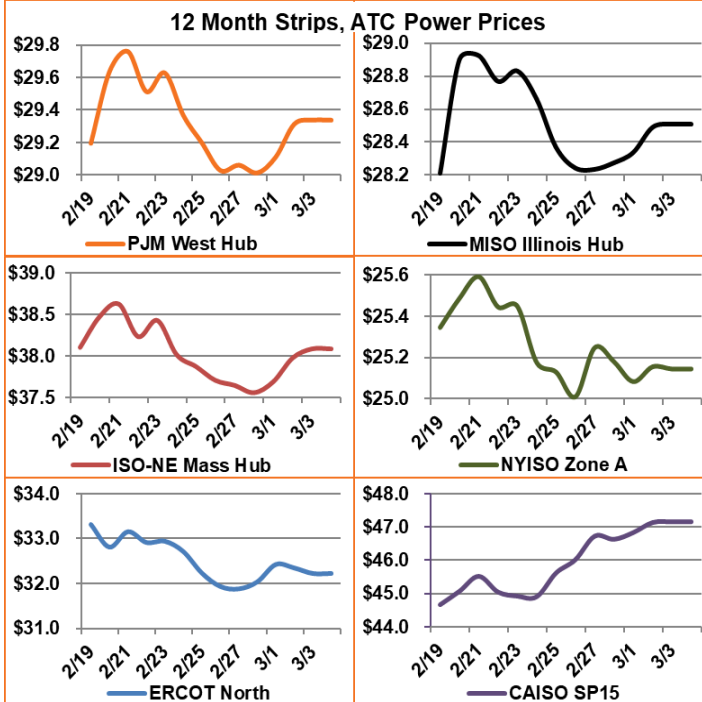
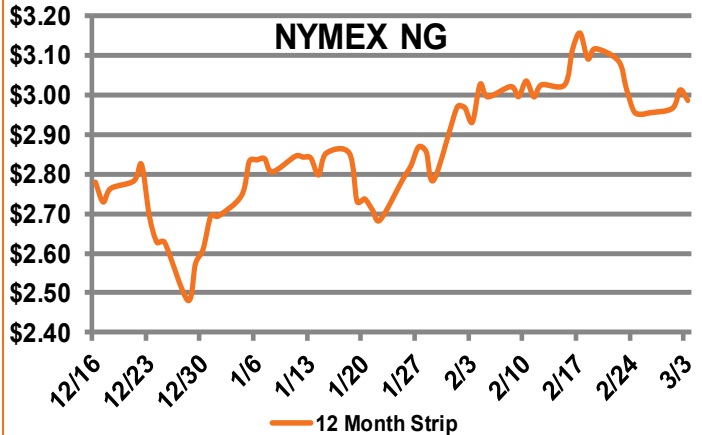
Summary: Natural gas producers in Texas have been able to rebound fairly quickly from the sharp decline in production that occurred from the freeze-offs in February. Improved production levels, combined with generally mild weather conditions, are helping to create a more balanced supply and demand picture for the market, which is definitely welcomed after the volatility that ensued just a few weeks ago. Meanwhile, the natural gas market saw minimal softening during yesterday's trading session. The Apr '21 prompt contract lost two cents and closed out yesterday's trading session at \$2.816/MMBtu. The rolling 12-month strip moved in tandem, also losing two cents, and most of the forward calendar strips lost a penny or less day-over-day. After expectations of a potentially record-setting storage withdrawal last week, market participants are expecting a much lower withdrawal of 134 Bcf to be reported today. While this is a whopping 204 Bcf decline week-over-week, if actualized at 134 Bcf, the week reported withdrawal for the week to Feb. 26 would still be 53 Bcf and 15 Bcf stronger than the 5-year average and last year, respectively.

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 3/4/2021)

ISO-NE Mass Hub \$67.37	MISO Indiana Hub \$27.27	NYISO Zone G \$38.00
PJM West Hub \$27.06	ERCOT North \$16.98	CAISO SP15 \$31.25
NYMEX NG	Close	Change
Apr-21	2.816	-0.023
May-21	2.849	-0.026
12 Month	2.988	-0.026
Cal 22	2.695	-0.005
Cal 23	2.524	-0.014

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%

