

Early Morning Update

The Apr21 natural gas contract is trading down \$0.06 at \$2.64. The Apr21 crude oil contract is down \$0.09 at \$66.00.

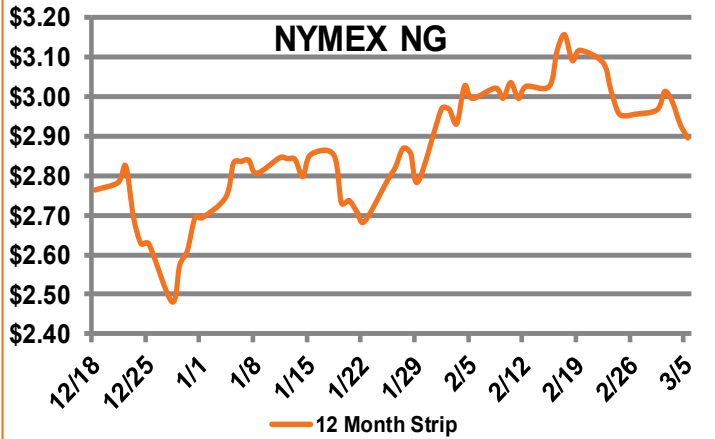
Summary: The prompt month contract started off last week by trading up nearly seven cents by Tuesday's close. However, the balance of the week resulted in more selling than buying. A surprisingly weak storage report for the week ending Feb. 26 was released on Thursday by the EIA. Estimates for the withdraw ranged between 134 and 158 Bcf, but the report showed a draw of only 98 Bcf, surprising market participants and resulting in a selloff. The miss was primarily attributed to the South Central region, where there was no net change compared to a forecasted 28 Bcf draw. Pricing activity for the calendar year strips ended the week on a stronger note, as 2022 and 2023 closed 1.9 and 1.7 cents higher, respectively, while 2024 gained a mere half penny. The supply of natural gas continues to lag stubbornly resilient demand. When looking at year-to-date numbers for 2021 versus 2020, dry production is down 3.8 Bcf/day, while demand is averaging 7.3 Bcf/day higher. The largest contributors to the increase in demand are stemming from heating demand and LNG exports, up 6.0 Bcf/day and 1.2 Bcf/day, respectively. While heating demand is all but certain to taper off as we prepare to enter warmer seasons, LNG exports are likely to continue to see strength. As more exporting capacity comes online, what will global demand look like? Many estimates are calling for increasing gas demand across several sectors for at least the next decade.

Bullish Factors

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

Bearish Factors

- Coronavirus impacts on demand
- Strong production
- Milder weather

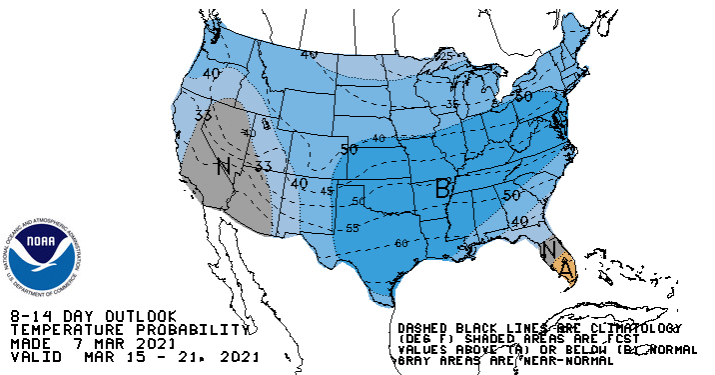
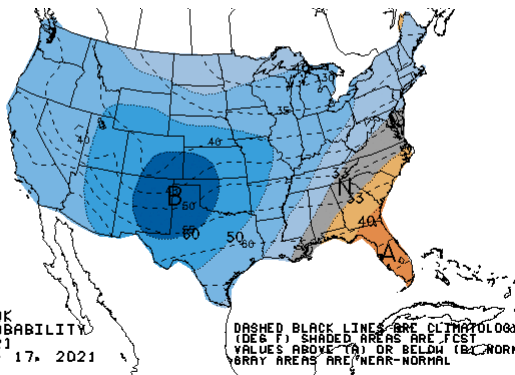
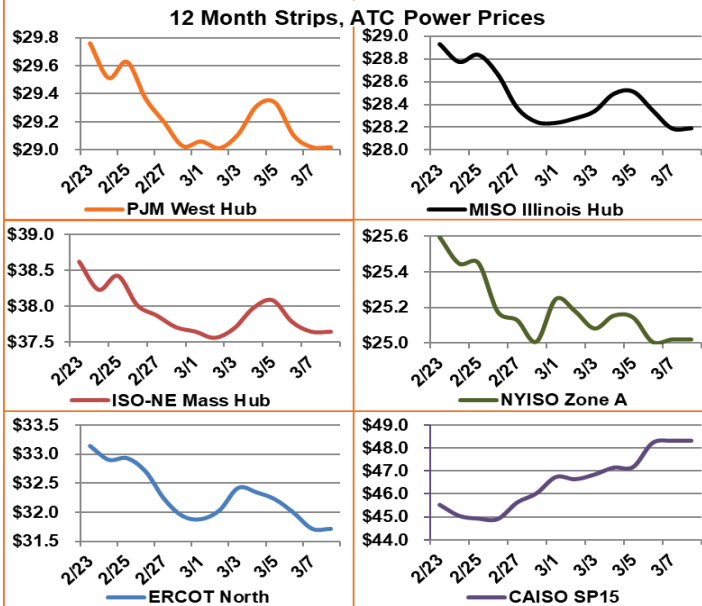


Next Day On-Peak Power (traded for 3/8/2021)

ISO-NE Mass Hub \$47.70	MISO Indiana Hub \$25.62	NYISO Zone G \$44.52
PJM West Hub \$28.06	ERCOT North \$19.69	CAISO SP15 \$32.47
NYMEX NG	Close	Change
Apr-21	2.701	-0.045
May-21	2.739	-0.042
12 Month	2.896	-0.035
Cal 22	2.672	-0.019
Cal 23	2.530	-0.003

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,845	1,943	2,122	2,023
Diff v. Current		-98	-277	-178
% Diff			-13.1%	-8.8%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 7 MAR 2021
VALID MAR 13 - 17, 2021



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 7 MAR 2021
VALID MAR 15 - 21, 2021

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL

