

**Early Morning Update**

The Apr21 natural gas contract is trading down \$0.07 at \$2.53. The Apr21 crude oil contract is down \$0.51 at \$65.10.

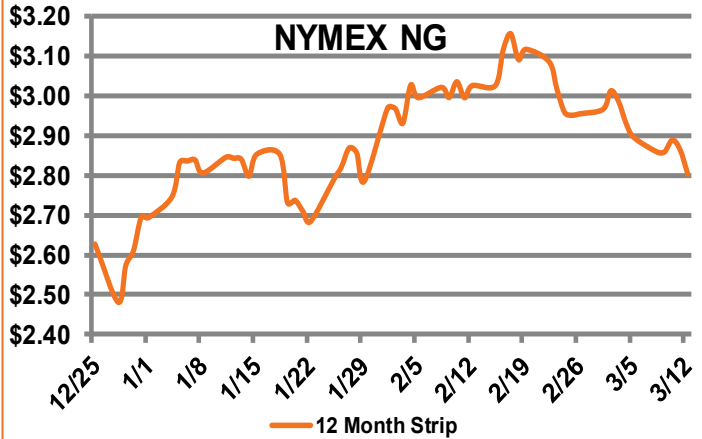
**Summary:** As a new week begins, the energy market continues to grapple with conflicting fundamentals and COVID pandemic relief as it looks to break out of its recent sideways trading range since the beginning of March. From a fundamentals perspective, the market has rebounded well from the events of last month. Production is back above 92 Bcf/d, end-of-winter storage estimates are slightly lower than the five-year average at 1.7 Tcf, and warmer spring temps look to be on the way for the majority of the country. On the economic front, many Americans have new stimulus checks in hand with recently passed legislation, but questions remain whether it will be spent or saved. Is there potential to overheat the economy with vaccine efforts gathering steam nationwide? With this background, natural gas markets have grappled with the uncertainty. Cal 2022 is the highest priced calendar strip, with an average price of \$2.67/MMBtu for the past two weeks, but also has the largest trading range at eight cents. Calendar strips '23-'25 have an even tighter trading range at four cents, with forwards averaging \$2.55/MMTBU. Currently, Cal '23 continues to be the lowest priced cal strip at \$2.54/MMBtu.

**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 3/15/2021)**

ISO-NE Mass Hub \$58.55	MISO Indiana Hub \$33.72	NYISO Zone G \$34.57
PJM West Hub \$32.63	ERCOT North \$35.05	CAISO SP15 \$31.83
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Apr-21	2.600	-0.062
May-21	2.636	-0.060
12 Month	2.804	-0.056
Cal 22	2.633	-0.027
Cal 23	2.541	0.004

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	1,793	1,845	2,050	1,934
<b>Diff v. Current</b>		-52	-257	-141
<b>% Diff</b>			-12.5%	-7.3%

