

Early Morning Update

The Apr21 natural gas contract is trading up \$0.015 at \$2.50. The Apr21 crude oil contract is down \$0.89 at \$64.50.

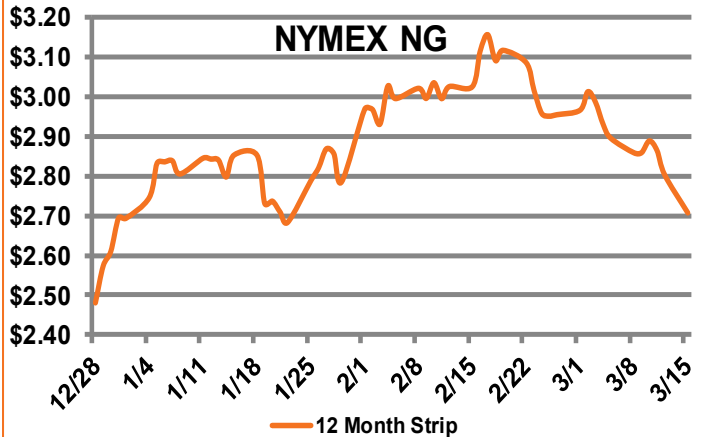
Summary: As American crude oil prices stabilize at \$65/Bbl, domestic producers are likely going to try to ramp up production, despite OPEC predictions. What surprises market analysts the most is that OPEC announced an April supply increase of 150,000 barrels per day, which is about 10 times less than some of the more extreme predictions. Crude oil prices have surpassed 2020 highs, while juxtaposing the bearish prices in the natural gas market. Just yesterday, we saw a \$0.116/MMBtu reduction in the price for the April natural gas contract, which settled at \$2.484/MMBtu. This downward movement is being impacted by the normal to warmer-than-normal weather that the majority of the U.S. is experiencing or expects to encounter over the next few weeks. Some analysts are also considering the impact that crude could have on the natural gas markets. Elevated supply increases from crude drillers could potentially increase the associated natural gas supply, acting as a bear in the natural gas markets.

Bullish Factors

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

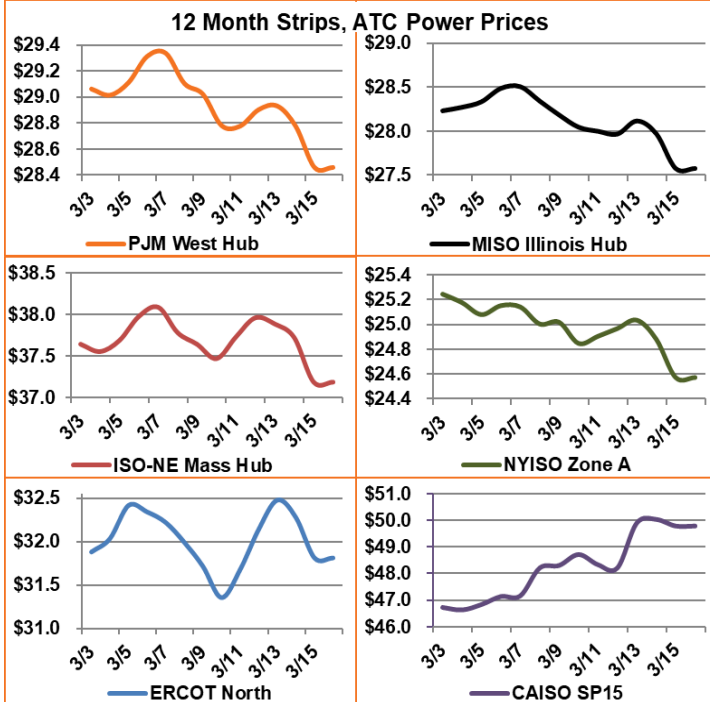
Bearish Factors

- Coronavirus impacts on demand
- Strong production
- Milder weather



Next Day On-Peak Power (traded for 3/16/2021)

| | | |
|----------------------------|-----------------------------|-------------------------|
| ISO-NE Mass Hub \$52.76 | MISO Indiana Hub \$33.75 | NYISO Zone G \$36.00 |
| PJM West Hub \$31.82 | ERCOT North \$26.00 | CAISO SP15 \$29.41 |
| NYMEX NG | Close | Change |
| Apr-21 | 2.484 | -0.116 |
| May-21 | 2.523 | -0.113 |
| 12 Month | 2.708 | -0.096 |
| Cal 22 | 2.590 | -0.043 |
| Cal 23 | 2.517 | -0.024 |



EIA Natural Gas Storage

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

