

Early Morning Update

The Apr21 natural gas contract is flat at \$2.48. The Apr21 crude oil contract is down \$0.24 at \$59.76.

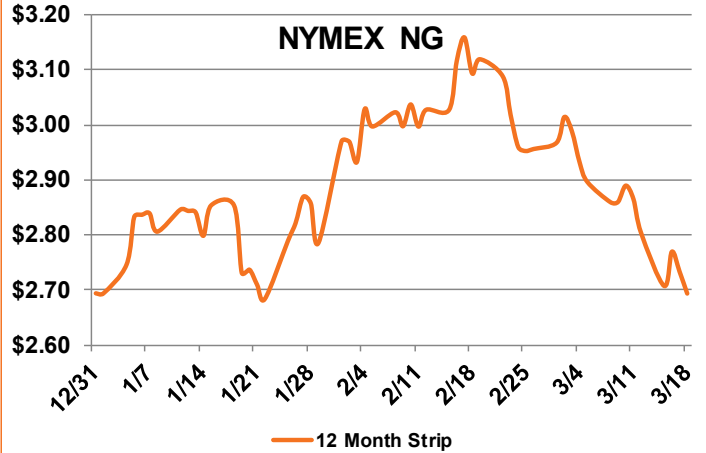
Summary: Crude oil prices for the prompt month of April has come off by \$4.60/Bbl and settled exactly at \$60.00/Bbl. As long as prices remain above approximately \$45/Bbl, producers will be incentivized to drill more domestic oil. While some market commentators are attempting to point at some fundamentals or consider what OPEC is doing internationally, a very simple answer is the fact that the market moved up quickly and this very well could be a technical correction. As oil prices move, we may see some changes in prices for natural gas as associated gas is created as byproducts increasing the national supply. As natural gas contracts move downwards -NYMEX prompt month has moved down \$0.068/MMBtu settled at \$2.60/MMBtu- further supply will push the bearish prices even further. Further bearish factors include the fact that warmer spring temperatures are letting storage take a bit of a breather after last month and the fact that natural gas suppliers have remained relatively steady.

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 3/19/2021)

ISO-NE Mass Hub \$34.50	MISO Indiana Hub \$30.13	NYISO Zone G \$32.13
PJM West Hub \$29.52	ERCOT North \$32.49	CAISO SP15 \$24.35

NYMEX NG	Close	Change
Apr-21	2.481	-0.047
May-21	2.511	-0.044
12 Month	2.694	-0.040
Cal 22	2.564	-0.040
Cal 23	2.497	-0.024

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,782	1,793	2,035	1,875
Diff v. Current		-11	-253	-93
% Diff			-12.4%	-5.0%

