

Early Morning Update

The May21 natural gas contract is trading down \$0.01 at \$2.64. The May21 crude oil contract is down \$1.01 at \$60.55.

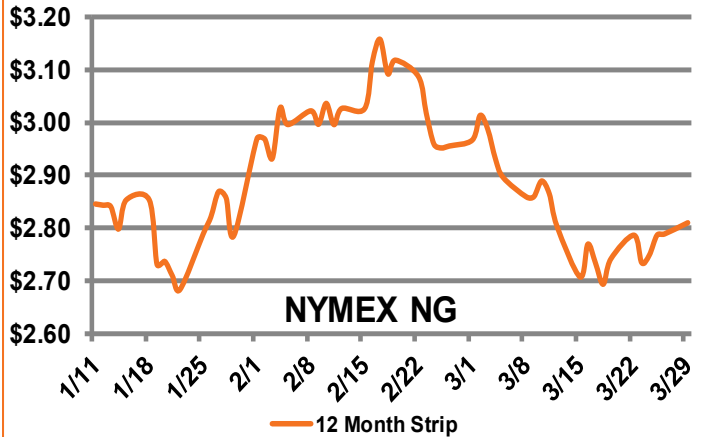
Summary: NYMEX natural gas and regional energy markets have been relatively quiet, as fundamentals have been static, with changes being limited as we move into the shoulder season. The only outlier is California, which is still experiencing a drought, greatly increasing prices in the energy market there. Natural gas production has not strayed far from 93 Bcf/d, while demand has stayed relatively steady compared to the winter months. Weather forecasts are calling for a shot of cold in the midcontinent towards the end of the week, and we could see some short-term movement in the new prompt month of May. The April NYMEX contract expired yesterday at \$2.586/MMBtu, settling three cents higher than its open. The May contract is trading slightly higher than where April was, and settled at \$2.653/MMBtu. Trading range yesterday for both the April and May contracts reached both positive and negative values of approximately three cents each. Though both settled in a bullish fashion, the movement today shows some general uncertainty in the market for where prices are going. In fact, NYMEX speculators have almost equal amounts of long and short contracts, demonstrating the lack of momentum for either direction.

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 3/30/2021)

ISO-NE Mass Hub \$24.53	MISO Indiana Hub \$24.39	NYISO Zone G \$24.26
PJM West Hub \$24.72	ERCOT North \$29.37	CAISO SP15 \$27.77
NYMEX NG	Close	Change
Apr-21	2.586	0.029
May-21	2.653	0.034
12 Month	2.811	0.021
Cal 22	2.640	0.008
Cal 23	2.534	0.011

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,746	1,782	2,009	1,824
Diff v. Current		-36	-263	-78
% Diff			-13.1%	-4.3%

