

Early Morning Update

The May21 natural gas contract is trading flat to yesterday's close at \$2.62. The May21 crude oil contract is down \$0.25 at \$60.30.

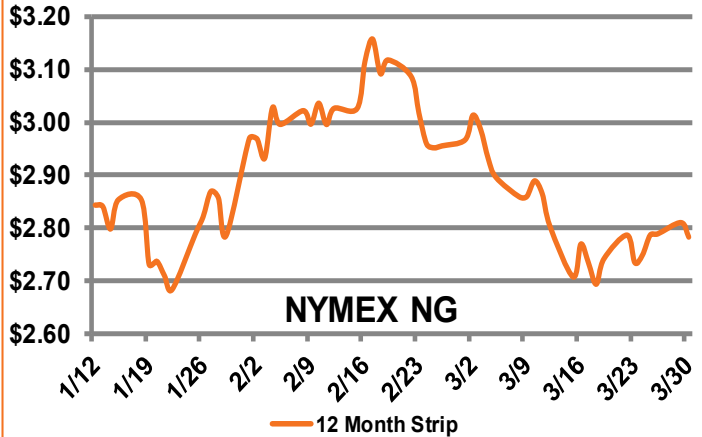
Summary: The quick shot of cold this week is expected to be short-lived, a typical trend for most of this past winter season. The cooler temps will be followed by warmer-than-normal temperatures to start off April. The blanket of warmer temps covers the majority of the country in the 6-10 day forecasts, then leans mostly towards the eastern half for the following two weeks. The first injection into storage is projected to be reported by the EIA tomorrow, with estimates between 11 and 26 Bcf. The deficit to the five-year average is narrowing due to the mild temps, with storage levels currently at 1,746 Bcf, much healthier than expectations a few months ago. The NYMEX natural gas futures price for May fell 3.0 cents yesterday to settle at \$2.623/MMBtu. The ship that was lodged in the Suez Canal was finally freed on Monday, but expectations are that the backlog of ships waiting to get through the canal could last another week before normal shipping schedules resume. U.S. dry production averaged just over 92.0 Bcf/d this month and breached 93.0 Bcf/d for a few days toward the end of the month, the highest levels seen in a while, and crept closer to the all-time highs not seen since the end of 2019.

Bullish Factors

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

Bearish Factors

- Coronavirus impacts on demand
- Strong production
- Milder weather

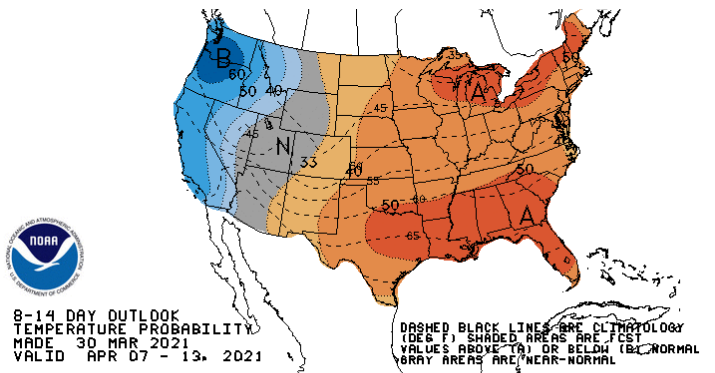
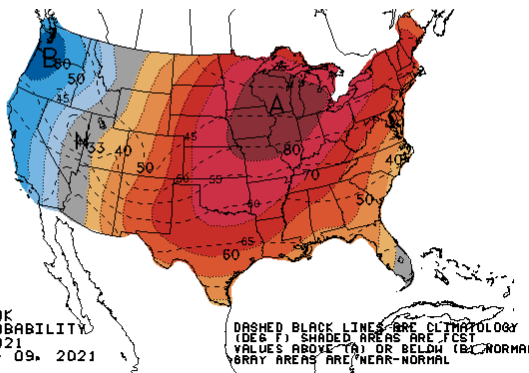
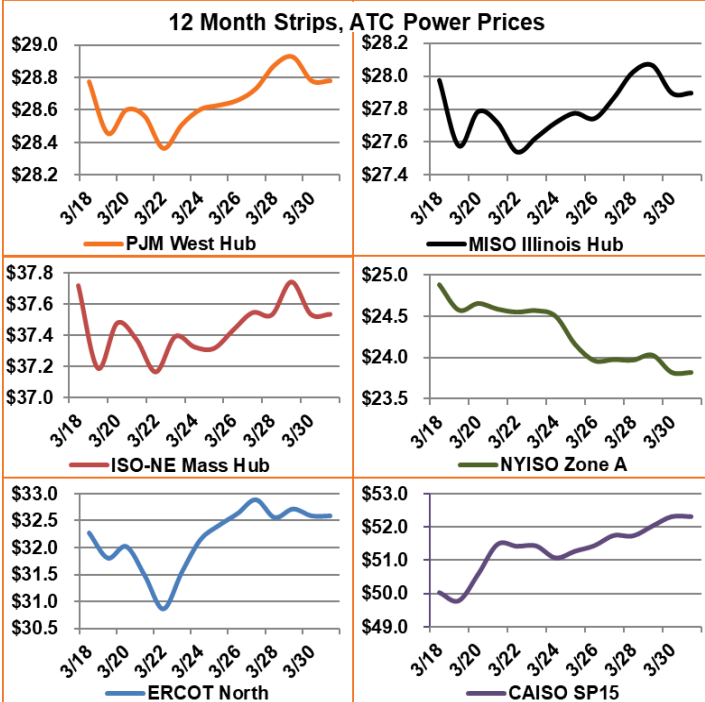


Next Day On-Peak Power (traded for 3/31/2021)

ISO-NE Mass Hub \$24.66	MISO Indiana Hub \$26.75	NYISO Zone G \$24.16
PJM West Hub \$24.70	ERCOT North \$23.15	CAISO SP15 \$32.38
NYMEX NG	Close	Change
May-21	2.623	-0.030
Jun-21	2.681	-0.027
12 Month	2.784	-0.019
Cal 22	2.634	-0.007
Cal 23	2.530	-0.004

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%



90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%

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