

Early Morning Update

The May '22 natural gas contract is trading up \$0.07 at \$6.35. The May '22 crude oil contract is down \$4.56 at \$93.70.

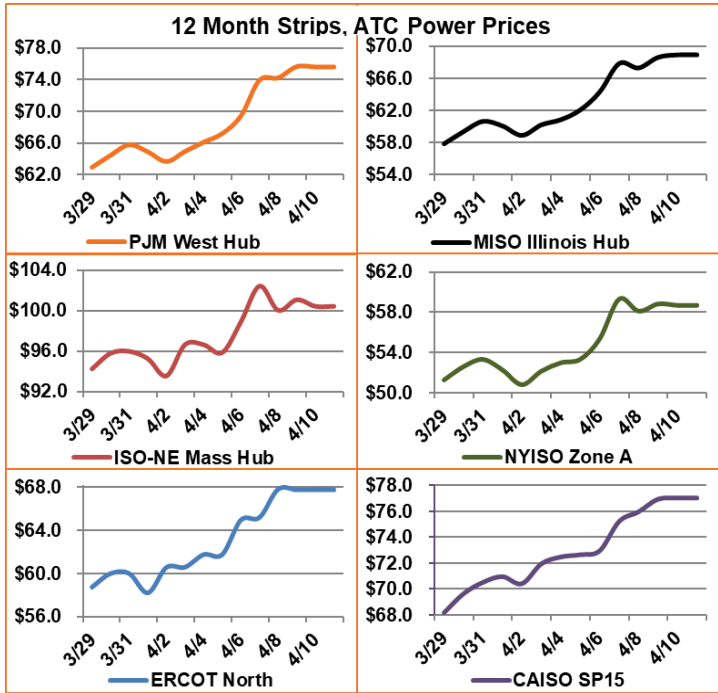
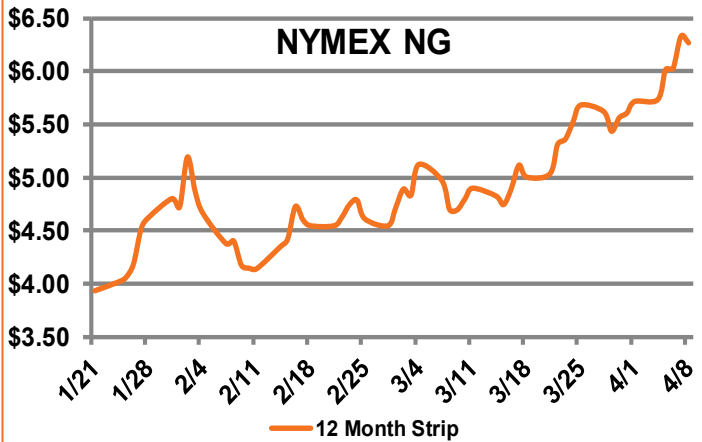
Summary: As we start another week, a look back on last week's historic NYMEX natural gas volatility is warranted. Just last week, day-over-day settled price movements on the May 2022 prompt (in cents) were -0.8, +32, -0.3, +33 and -8. To sum it up, the prompt moved up 55 cents to settle at \$6.278/MMBtu. Merely six weeks ago on March 1st, May 2022 natural gas settled at \$4.42/MMBtu. The volatility wasn't just reserved for the front of the curve as longer terms showed even more relative strength. To start the trading week on Monday, Cal 2023 was around \$4.50/MMBtu and Cal 2024 - Cal 2027 were all trading below \$4/MMBtu. As of Friday's close, no calendar strip settled below \$4/MMBtu, and Cal 2023 was trading above at \$5/MMBtu. To put it in perspective, in all of Cal 2021, in trading for NYMEX Cal 2026, there were only 15 days where the strip moved five cents up or down. Over the past two weeks, the Cal 2026 strip has moved five cents . . . six times! With continued stagnant production, weather forecasts continuing to look colder than normal, and the war in Ukraine showing no signs of letting up, the volatility looks to be the norm until the current market fundamentals change.

Bullish Factors

- Record high LNG exports
- Slipping natural gas production
- Lingering cold temperatures

Bearish Factors

- Res/com demand decreasing
- Power burns down
- Decent storage inventories



Next Day On-Peak Power (traded for 4/11/2022)

ISO-NE Mass Hub \$66.05	MISO Indiana Hub \$76.12	NYISO Zone G \$70.51	
PJM West Hub \$73.92	ERCOT North \$115.96	CAISO SP15 \$45.81	
NYMEX NG		Close	Change
May-22	6.278	-0.081	
Jun-22	6.356	-0.080	
12-Month	6.267	-0.060	
Cal 23	5.004	0.036	
Cal 24	4.103	0.028	

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,382	1,415	1,781	1,667
Diff v. Current		-33	-399	-285
% Diff			-22.4%	-17.1%

