

Early Morning Update

The May '22 natural gas contract is trading up \$0.16 at \$6.84. The May '22 crude oil contract is up \$1.80 at \$102.40.

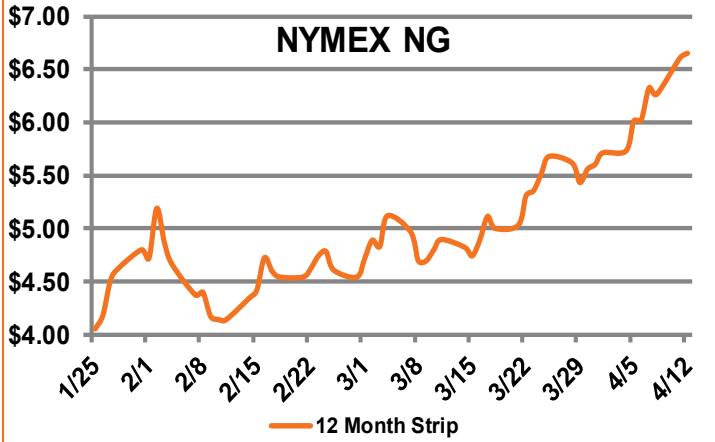
Summary: Spring is peaking its head out this week, with warmer-than-normal temperatures blanketing most of the eastern half of the country. However, this tease is short-lived, as significant cooler-than-normal temperatures quickly move from the Northwest to covering most of the East Coast and Midcon regions, which is anticipated to cause another spike in late season heating demand. These repeated shots of cold have led to expectations of smaller injections into storage to start off the injection period, while storage levels sit at a large deficit to the 5-year average benchmark. The EIA storage report tomorrow is expected to report a measly 10 Bcf build, less than the 33 Bcf 5-year average. U.S. dry production is not helping the market, as levels have been stagnant, hovering right around 93 Bcf/d. Demand is coming in at all-time highs, while supply is lagging levels since pre-2020. LNG exports have been averaging 12.5 Bcf/d, down from the highs earlier this year, most of which is due to seasonal maintenance. The natural gas prompt month is nearing \$7, and the upcoming winter is already there as current market fundamentals remain extremely bullish. Yesterday, the NYMEX natural gas futures price for May rose 3.7 cents on the day to settle at \$6.680/MMBtu.

Bullish Factors

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

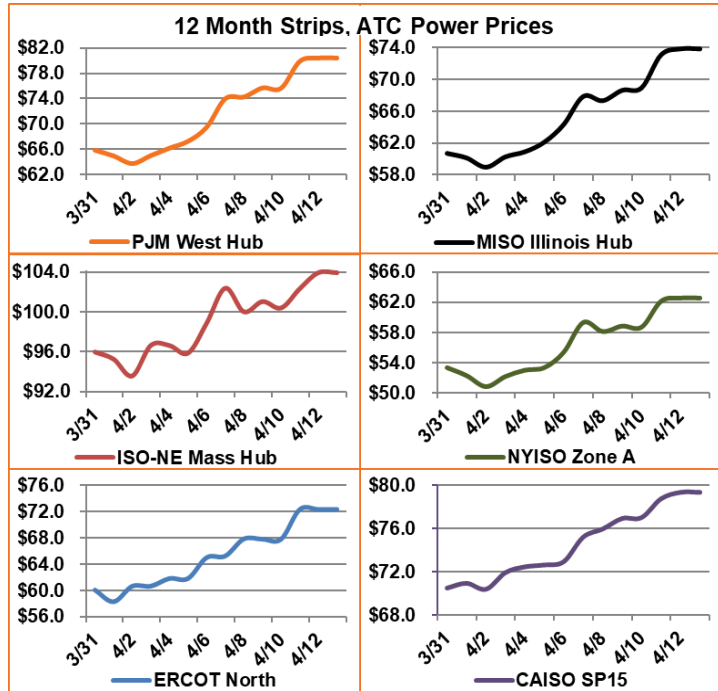
Bearish Factors

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



Next Day On-Peak Power (traded for 4/13/2022)

| ISO-NE Mass Hub \$68.34 | MISO Indiana Hub \$75.00 | NYISO Zone G \$67.70 |
|----------------------------|-----------------------------|-------------------------|
| PJM West Hub \$73.48 | ERCOT North \$95.00 | CAISO SP15 \$51.98 |
| NYMEX NG | | Change |
| May-22 | 6.680 | 0.037 |
| Jun-22 | 6.763 | 0.040 |
| 12-Month | 6.653 | 0.046 |
| Cal 23 | 5.202 | 0.043 |
| Cal 24 | 4.228 | 0.051 |



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% |

