

Early Morning Update

The Apr '22 natural gas contract is trading up \$0.08 at \$4.48. The Apr '22 crude oil contract is up \$4.98 at \$100.70.

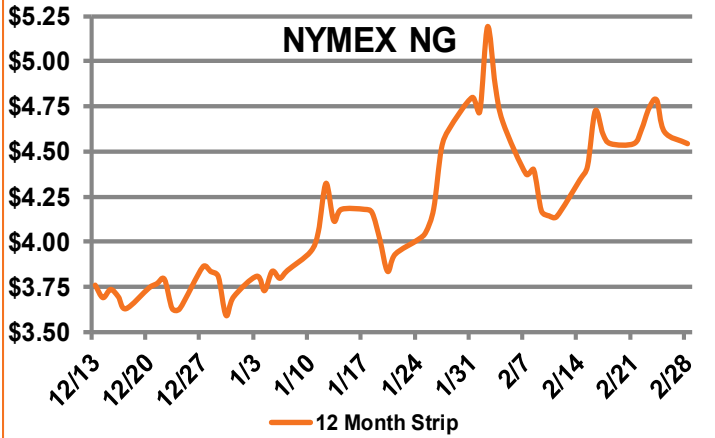
Summary: After an eventful few days last week, the near term natural gas market opened relatively calmly on Monday. We saw the rest of 2022 and 2023 all shed about 6.5 cents, and 2024 lost four cents, but interestingly, 2025 and beyond all moved up, from two to seven cents each. As weather reports largely begin to look more closely to spring, we are beginning to see rescinding demand, with total U.S. demand dropping 13% day-over-day and similar, but slightly higher, numbers expected over the next two weeks. Production has steadied around 93 Bcf/d and has shown year-to-date increases of nearly 6% versus 2021. Despite the strength shown in the outer years, backwardation is still maintained through 2025, and all years through 2029 remain below \$3.50.

Bullish Factors

- Record high LNG exports
- Extremely high global gas markets
- High exports to Mexico

Bearish Factors

- Production nearing all-time high
- End-of-season storage improving
- Warmer temperatures



Next Day On-Peak Power (traded for 3/1/2022)

ISO-NE Mass Hub \$98.44	MISO Indiana Hub \$48.50	NYISO Zone G \$91.78
PJM West Hub \$41.91	ERCOT North \$40.45	CAISO SP15 \$35.00
NYMEX NG	Close	Change
Apr-22	4.402	-0.068
May-22	4.420	-0.065
12-Month	4.545	-0.065
Cal 23	3.744	-0.069
Cal 24	3.327	-0.040

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,782	1,911	1,991	1,996
Diff v. Current		-129	-209	-214
% Diff			-10.5%	-10.7%

