

Early Morning Update

The Apr '22 natural gas contract is trading up \$0.02 at \$4.55. The Apr '22 crude oil contract is up \$5.70 at \$114.40.

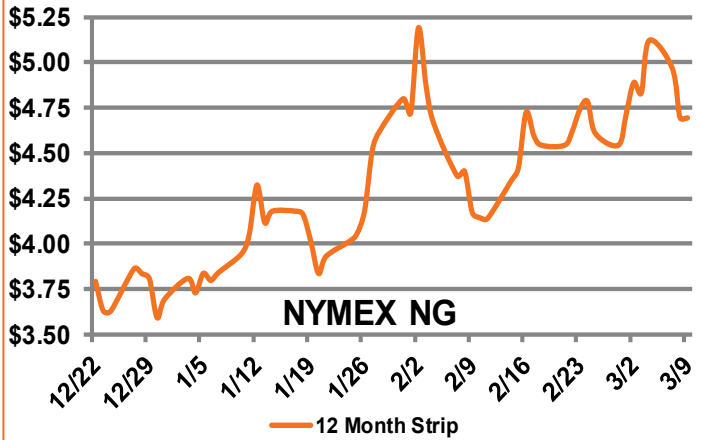
Summary: Short-term natural gas prices were flat day-over-day as the prevailing bearish and bullish fundamentals seemingly cancelled each other out during yesterday's trading session. After an unseasonably cold start to March with LNG exports at capacity, warmer revisions to the already above-normal 6-10 day outlook caused another drop in expected gas demand for the second week out. Supply seems to be catching up with the elevated demand as Permian production gained 0.8 Bcf/d, potentially instilling confidence amongst market participants that prices may finally begin to stabilize despite any further international reliance upon U.S. natural gas as we head into maintenance season for power plants and LNG terminals. The April and May contracts closed out the day down just a tenth and a twentieth of a cent at \$4.526/MMBtu and \$4.561/MMBtu, respectively. It's possible the market may be awaiting the results of today's potentially bullish Energy Information Administration storage report before decisively heading in either direction. Market estimates are predicting a withdrawal within the range of 100 Bcf to 141 Bcf, much higher than both last year's 59 Bcf and the 5-year average 89 Bcf withdrawals. Storage currently sits at 1,643 Bcf, about 14% below the historical benchmarks.

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 3/10/2022)

ISO-NE Mass Hub \$45.46	MISO Indiana Hub \$57.42	NYISO Zone G \$55.41
PJM West Hub \$51.75	ERCOT North \$43.41	CAISO SP15 \$37.39

NYMEX NG	Close	Change
Apr-22	4.526	-0.001
May-22	4.561	-0.002
12-Month	4.696	-0.003
Cal 23	3.909	-0.010
Cal 24	3.447	-0.028

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,643	1,782	1,859	1,898
Diff v. Current		-139	-216	-255
% Diff			-11.6%	-13.4%

