

**Early Morning Update**

The Apr '22 natural gas contract is trading down \$0.09 at \$4.77. The Apr '22 crude oil contract is up \$4.30 at \$109.00.

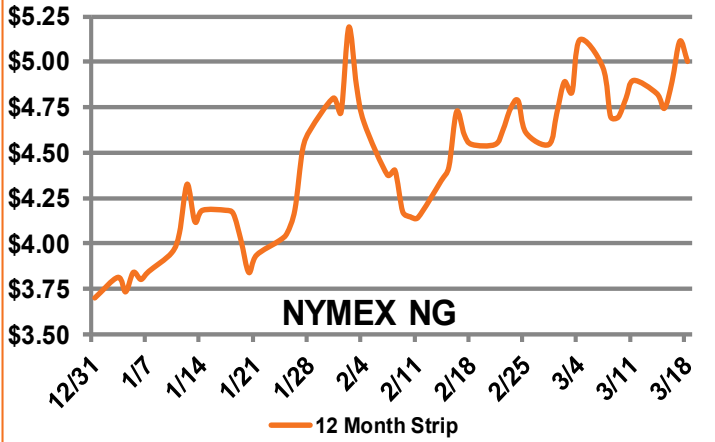
**Summary:** Over the weekend, both production and demand for natural gas stayed relatively flat, only changing by 0.4 Bcf/d for production and 0.9 Bcf/d for total demand. However, dry production had been climbing steadily throughout the week and is currently at the highest level seen so far this year. Most of the production gain came from Texas, where single day production reached 26.1 Bcf/d, which is an all-time high, beating out the previous record of 26.0 Bcf/d that was set last December. The largest demand change was from the power burn sector, which saw a day-over-day increase of 1.4 Bcf/d, with the Northeast accounting for the majority of this. Residential-commercial demand was the only demand component to decrease over the weekend, fueled by warmer temperatures. The Midcon market had the largest decrease at 1.4 Bcf/d. However, the other regions had a slight increase, so the total national res/comm demand only decreased by 0.9 Bcf/d. LNG exports are near capacity at 13.5 Bcf/d today after reaching an all-time high of 13.7 Bcf/d on Saturday. Exports to Mexico fell by 0.6 Bcf/d over the weekend to 4.9 Bcf/d. Weather forecasts show warmer temperatures throughout this week, but there is a chance of temperatures briefly turning colder over next weekend into next week.

**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 3/21/2022)**

ISO-NE Mass Hub \$43.70	MISO Indiana Hub \$52.89	NYISO Zone G \$49.35
PJM West Hub \$42.94	ERCOT North \$31.81	CAISO SP15 \$44.00
NYMEX NG	Close	Change
Apr-22	4.863	-0.127
May-22	4.902	-0.119
12-Month	5.003	-0.112
Cal 23	4.027	-0.021
Cal 24	3.505	-0.002

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,440	1,519	1,784	1,744
Diff v. Current		-79	-344	-304
% Diff			-19.3%	-17.4%

