

Early Morning Update

The Apr '22 natural gas contract is trading up \$0.10 at \$5.29. The Apr '22 crude oil contract is up \$3.73 at \$113.00.

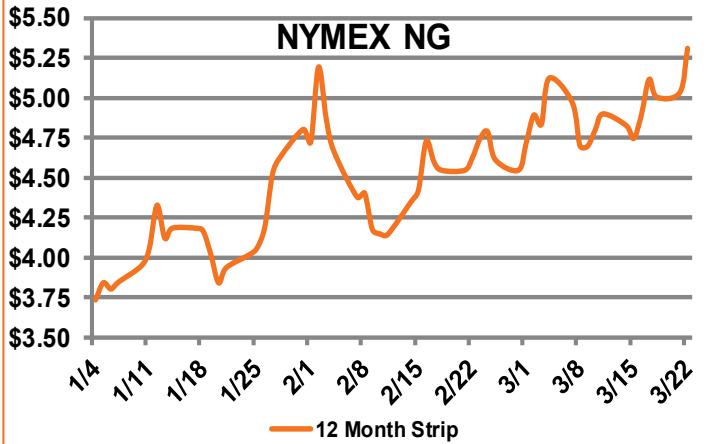
Summary: There was strong upward movement during yesterday's NYMEX natural gas trading session as the prompt month blew past the \$5 dollar technical mark and ultimately closed at \$5.187/MMBtu, an increase of 29 cents on the day. The momentum carried out through the curve with the balance of 2022 strip gaining 28.5 cents, and the twelve-month strip moving up 28 cents, while the calendar strip for 2023 moved up 12 cents to close at just under \$4.18. Beyond there, the upward trend was minimal as Cal 2024 gained three cents to close at \$3.55, and all further out months gained around a penny. The 2025 calendar strip is still the low point, currently at \$3.449/MMBtu, but just barely as Cal 2026 is sitting close to it at just a tenth of a cent higher. The forward looking weather forecasts turned cooler yesterday through the end of the month and first week of April, which could drive higher residential and commercial gas demand and slow the transition to injection season. Natural gas production has been trending higher lately, consistently in the 94-95 Bcf/d range over the past week, but demand has trended higher along that same timeline since the warm weather period last 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 3/23/2022)

ISO-NE Mass Hub \$51.63	MISO Indiana Hub \$52.00	NYISO Zone G \$50.53
PJM West Hub \$45.24	ERCOT North \$45.00	CAISO SP15 \$46.00
NYMEX NG	Close	Change
Apr-22	5.187	0.287
May-22	5.227	0.293
12-Month	5.309	0.277
Cal 23	4.179	0.122
Cal 24	3.549	0.039

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%

