

Early Morning Update

The Apr '22 natural gas contract is trading flat to yesterday's close at \$5.23. The May '22 crude oil contract is down \$0.13 at \$114.80.

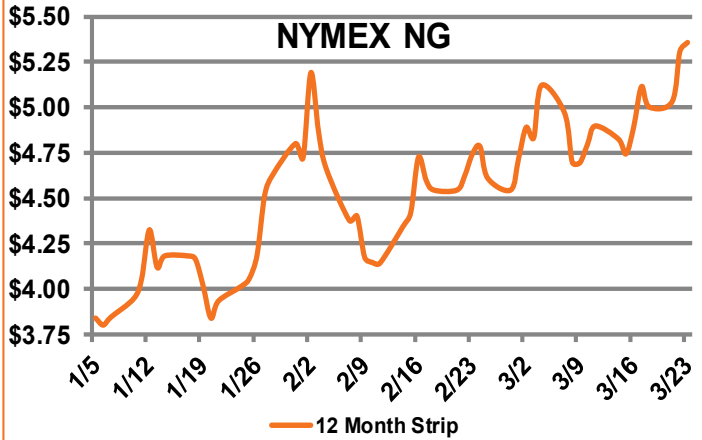
Summary: Yesterday's short-term gas trading session was marked with uncertainty as intraday prices alternated between day-over-day gains and losses. The prompt month see-sawed throughout the day, finally closing \$0.045 higher day-over-day at \$5.232/MMBtu. Most contracts within the 12-month strip, which settled up \$0.050 to \$5.359/MMBtu, followed this same pattern. Forward months beyond March 2023 posted modest gains, as well, anywhere between \$0.010 and \$0.040. Below-normal temperature forecasts for the next week in the East and Midwest continue to be the most obvious driver behind the rising short-term gas prices. The next cold front is set to force lows down into the 20s and 30s in the major load centers across the region. Thus, any modest production gains that have been made over the last week are expected to be offset by the upcoming heating demand and record LNG exports. The significantly colder forecast revisions will likely change the storage expectations for the next few reports. Following last week's large 79 Bcf withdrawal, today's EIA inventory report for week ended Mar. 18 was once anticipated to be the last withdrawal of the season. With the colder weather coming up, withdrawal season may now be extended, further adding to the current storage deficit. Polls for today's withdrawal range from mid-30s to around 70 Bcf, with a median near 60 Bcf. This withdrawal level compares favorably to the 62 Bcf 5-year average withdrawal, but much higher than last year's 29 Bcf pull. Current stockpiles sit at 1,440 Bcf, about 17% below the 5-year average.

Bullish Factors

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

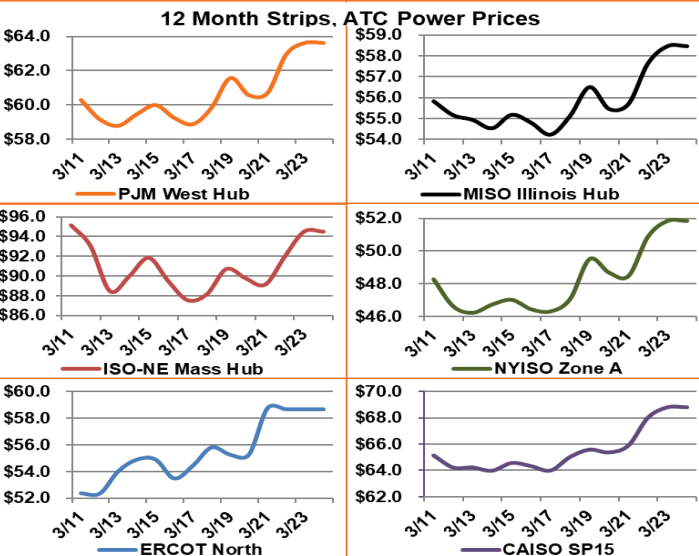
Bearish Factors

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



Next Day On-Peak Power (traded for 3/24/2022)

ISO-NE Mass Hub \$54.82	MISO Indiana Hub \$53.30	NYISO Zone G \$53.62
PJM West Hub \$48.54	ERCOT North \$51.22	CAISO SP15 \$45.00
NYMEX NG	Close	Change
Apr-22	5.232	0.045
May-22	5.274	0.047
12-Month	5.359	0.050
Cal 23	4.221	0.042
Cal 24	3.567	0.018



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%

