

**Early Morning Update**

The Apr '22 natural gas contract is trading down \$0.07 at \$5.50. The May '22 crude oil contract is down \$5.40 at \$108.50.

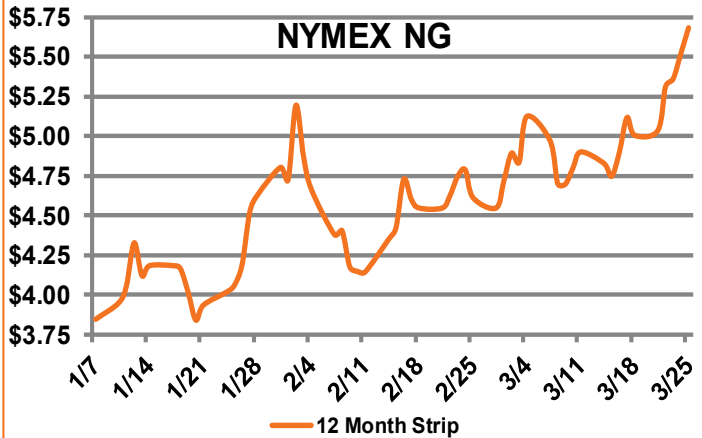
**Summary:** After a weekend with temperatures feeling more like February than the end of March for the eastern U.S., the old adage of March ending like a lamb certainly hasn't rung true. In much of the U.S., the temperature rollercoaster will continue this week with highs pushing 20 degrees warmer than highs over the weekend for those same eastern locations, but vice-versa for the middle of the country with high temperatures falling similarly. On the good news weather front, a large rain-maker moved into California and other southwestern states last night bringing much-needed rainfall to areas that haven't seen measurable precipitation in months. The other big news story from Friday was President Biden announcing continued U.S. support to reduce Europe's dependency on Russian natural gas. In an address, the President promised to deliver an additional 15 Bcf of LNG to Europe in 2023. It will be interesting to see how this policy will impact development of additional export facilities or how U.S. allies will help deliver these supplies as the seven existing U.S. LNG export terminals are already working at maximum capacity. The natural gas market reacted to the news on Friday with strength across all terms. The prompt was up 17 cents to \$5.57/MMBtu, Cal 23 was up eight cents to \$4.30, and Cals '24-'26 another two to four cents to average around \$3.55/MMBtu. As the Russian/Ukrainian conflict drags into its 2nd month, the global energy complex continues to look volatile as the markets don't see signs of the conflict ending soon, nor bullish fundamentals slowing down.

**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 3/28/2022)**

ISO-NE Mass Hub \$134.21	MISO Indiana Hub \$58.63	NYISO Zone G \$112.77
PJM West Hub \$71.93	ERCOT North \$48.00	CAISO SP15 \$55.85
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Apr-22	5.571	0.170
May-22	5.611	0.165
12-Month	5.681	0.162
Cal 23	4.413	0.113
Cal 24	3.706	0.097

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,389	1,440	1,755	1,682
Diff v. Current		-51	-366	-293
% Diff			-20.9%	-17.4%

