

### Early Morning Update

The Apr20 natural gas contract is trading up \$0.03 at \$1.71. The Apr20 crude oil contract is up \$0.74 at \$45.50.

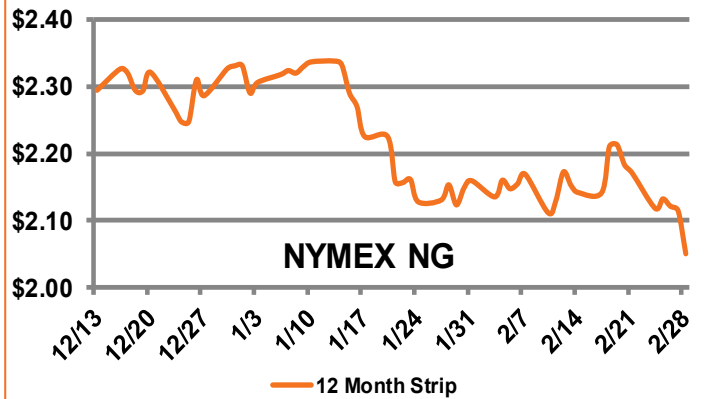
**Summary:** Winter took a real breath over the weekend, with overnight lows in the low to mid 20s across the eastern U.S., but a highly anticipated strong warm-up is expected for the next week. Large eastern metro areas will see high temperatures in the low 60s this week – significantly above-average for the first half of March. NYMEX reacted quickly, with the March prompt starting last week at \$1.905 and expiring Wednesday at \$1.821. The market continues to watch how these above-average temperatures will impact the end-of-winter storage levels. Market estimates are building consensus around 1.82 Tcf, which is 10% higher than the 5YA. Beyond weather, there are quite a few macro questions with the market right now with global implications: Will low oil prices, down 15% week-over-week, reduce production and put producers at risk of bankruptcy? How will the markets react to the first coronavirus deaths in the U.S.? Will the stock rout continue into a second week? If the coronavirus continues to spread aggressively across the globe, will it lead to a global recession? The market continues to look for answers to these questions and will begin to price these potential answers into future prices – the question becomes: higher or lower?

### Bullish Factors

- Record LNG exports
- Growing NG exports to Mexico
- Dry production stalling

### Bearish Factors

- Above-average winter temperatures
- Higher associated gas production
- Healthy storage levels



### Next Day On-Peak Power (traded for 3/2/2020)

ISO-NE Mass Hub \$20.60	MISO Indiana Hub \$25.20	NYISO Zone G \$21.33
PJM West Hub \$20.76	ERCOT North \$23.08	CAISO SP15 \$24.45
NYMEX NG	Close	Change
Apr-20	1.684	-0.068
May-20	1.732	-0.068
12 Month	2.050	-0.064
Cal 21	2.276	-0.035
Cal 22	2.368	-0.015

### EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,200	2,343	1,563	2,021
Diff v. Current		-143	637	179
% Diff			40.8%	8.9%

