

Early Morning Update

The Apr20 natural gas contract is trading up \$0.01 at \$1.77. The Apr20 crude oil contract is up \$0.95 at \$47.70.

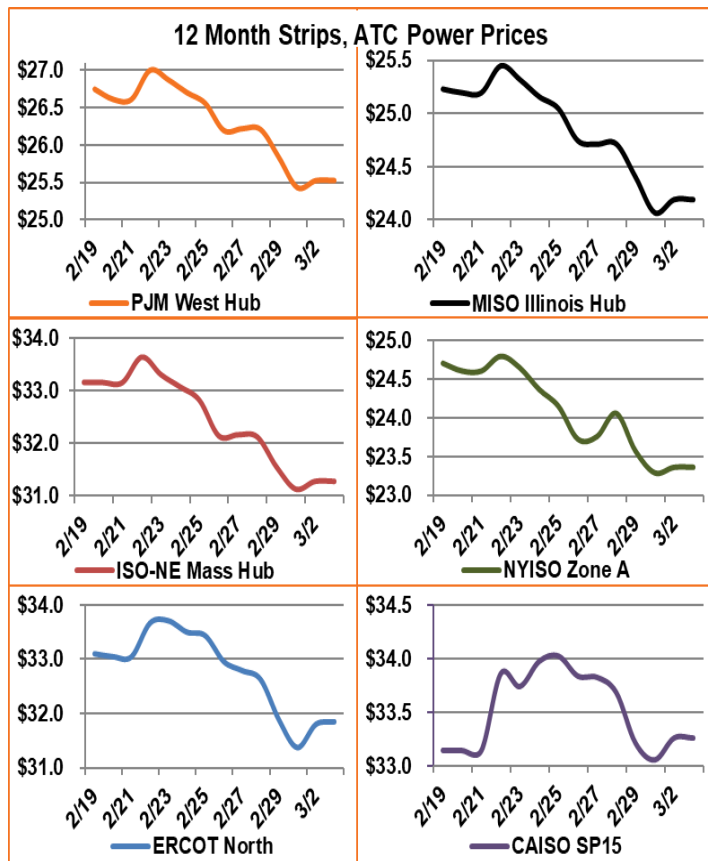
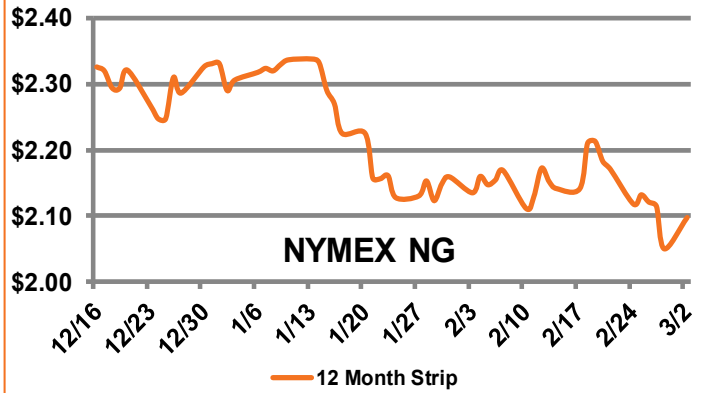
Summary: As of this morning, weather forecasts are still indicating warmer-than-normal temperatures across the U.S. and especially warm throughout the Northeast and into the Midwest for at least the next two weeks. April futures increased by 7.2 cents yesterday, settling at \$1.756/MMBtu, but most of the market indicators remain bearish. Total natural gas supply is only slightly down week-over-week at 95.5 Bcf/d today, and production levels continue to hold their own despite historic low prices. U.S. demand is down 19.8 Bcf/d year-over-year, with Res/Comm demand falling to year-to-date lows at 27.7 Bcf/d. LNG exports are down nearly 1.0 Bcf/d from yesterday, raising the question - how much could COVID-19 stymie demand?

Bullish Factors

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

Bearish Factors

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



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

ISO-NE Mass Hub \$19.25	MISO Indiana Hub \$23.57	NYISO Zone G \$20.38
PJM West Hub \$20.15	ERCOT North \$21.00	CAISO SP15 \$24.50
NYMEX NG		Change
Apr-20	1.756	0.072
May-20	1.797	0.065
12 Month	2.098	0.047
Cal 21	2.302	0.026
Cal 22	2.393	0.025

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%

