

**Early Morning Update**

The Apr20 natural gas contract is trading down \$0.02 at \$1.75. The Apr20 crude oil contract is down \$1.90 at \$44.00.

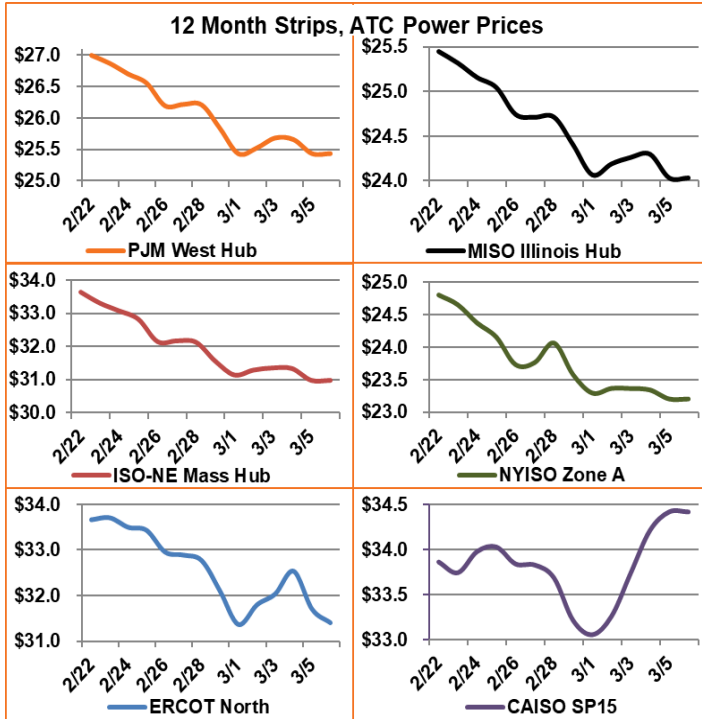
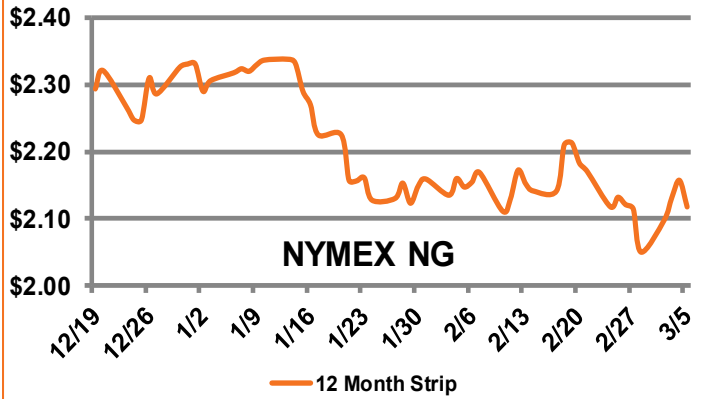
**Summary:** Searching for direction, April 2020, the prompt month NYMEX natural gas contract, traded in a wide range between \$1.756 and \$1.847/MMBtu yesterday. As expected, the U.S. Energy Information Administration reported a 109 Bcf withdrawal for the week ending February 28, bringing total stocks to 2.091 Tcf. This draw was much less than the 152 Bcf pull reported this time last year, but in-line with the 106 Bcf five year average withdrawal. The market dropped slightly on the news and closed the day 5.5 cents lower than Wednesday at \$1.772/MMBtu. Over the next few weeks, heating demand is expected to wane, as the nation heads into spring. The National Weather Service predicts above-average temperatures over the next two weeks. Near-term natural gas export demand could be at risk, as well, after Sabine Pass feedgas fell this week due to fog in Port Arthur. On average, the 2021-2025 calendar strips moved about two cents lower yesterday, are in contango, and are priced between \$2.304-2.511.

**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 3/6/2020)**

<b>ISO-NE Mass Hub</b> \$20.89	<b>MISO Indiana Hub</b> \$24.25	<b>NYISO Zone G</b> \$19.58
<b>PJM West Hub</b> \$23.25	<b>ERCOT North</b> \$17.48	<b>CAISO SP15</b> \$26.50
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Apr-20	1.772	-0.055
May-20	1.813	-0.052
12 Month	2.118	-0.039
Cal 21	2.304	-0.013
Cal 22	2.371	-0.019

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	2,091	2,200	1,411	1,915
<b>Diff v. Current</b>		-109	680	176
<b>% Diff</b>			48.2%	9.2%

