

**Early Morning Update**

The Apr20 natural gas contract is trading down \$0.07 at \$1.64. The Apr20 crude oil contract is down \$9.28 at \$32.00.

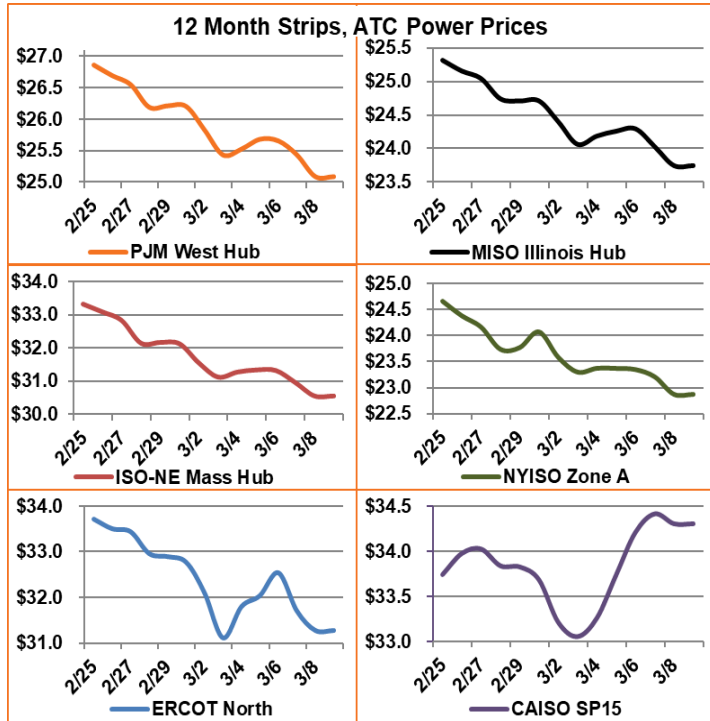
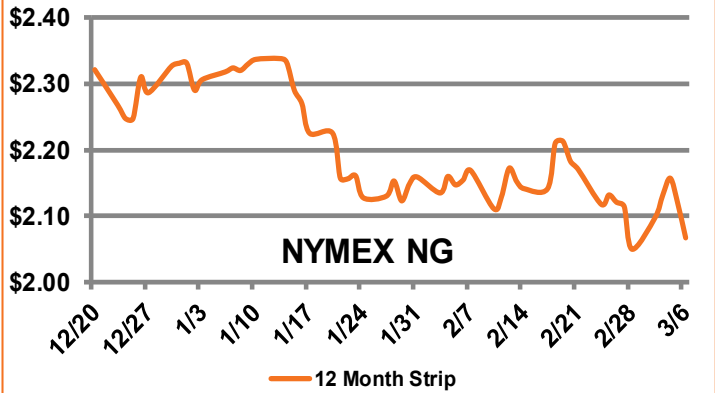
**Summary:** On Friday, the April 2019 NYMEX natural gas futures price fell once again, down 6.4 cents on the day to settle at \$1.708/MMBtu. Bearish fundamentals seem to be dominating this winter, as mild temperatures continue to blanket the U.S. through the end of this month. Weather forecasts remain warmer-than-normal for the eastern half of the country for the next few weeks. Heating demand remains depressed and power burn levels are expected to dip slightly, adding to the downward pressure on pricing. Storage inventories remain at a surplus to the five-year average at around 9%, and are significantly higher than where they were this time last year. End-of-season estimates have reached just over 1.9 Tcf. Demand for LNG exports is also down, not only in reaction to the effects of the coronavirus, but due to maintenance activities at the Sabine Pass facility on trains 3 and 4. Oil prices tanked this weekend, and could be an indication that we might see even more pressure on producers financially. So far this month, U.S. dry production is averaging just under 92.0 Bcf/d, down from the record highs set at the end of 2019.

**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 3/9/2020)**

<b>ISO-NE Mass Hub</b> \$20.28	<b>MISO Indiana Hub</b> \$25.37	<b>NYISO Zone G</b> \$19.00
<b>PJM West Hub</b> \$21.30	<b>ERCOT North</b> \$21.60	<b>CAISO SP15</b> \$32.38
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Apr-20	1.708	-0.064
May-20	1.748	-0.065
12 Month	2.068	-0.050
Cal 21	2.272	-0.032
Cal 22	2.346	-0.025

**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%

