

**Early Morning Update**

The Apr20 natural gas contract is trading flat to yesterday's close at \$1.94. The Apr20 crude oil contract is down \$1.26 at \$33.10.

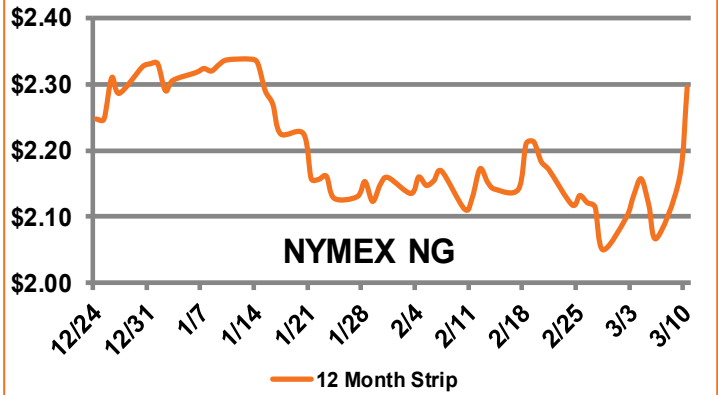
**Summary:** The NYMEX natural gas prompt month rallied a whopping \$0.158 yesterday, opening the trading day at \$1.778/MMBtu and closing at \$1.936/MMBtu. Since closing the trading day at \$1.708/MMBtu on Friday, the NYMEX prompt month has rallied a total of almost 23 cents so far this week. As oil prices remain sluggish, concerns are growing that less oil production could lead to less associated natural gas production in the Permian shale basin in West Texas. However, speculators are not anticipating an impact to production until late 2020 or 2021. At this time, natural gas production has remained steady, hovering near 91.9 Bcf/day so far this month. On the demand side, residential/commercial heating related demand remains very low, averaging just 83.4 Bcf/day, a drop of 21.7 Bcf/day vs. last year. Looking ahead, tomorrow's storage report from the U.S. Energy Information Administration is expected to report a withdrawal that is lower than the 5-year average.

**Bullish Factors**

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

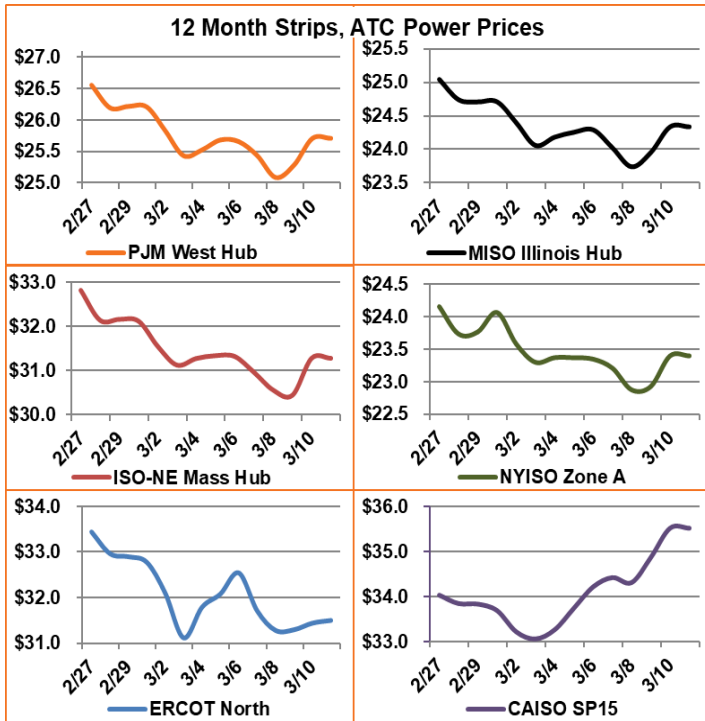
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 3/11/2020)**

<b>ISO-NE Mass Hub</b> \$18.25	<b>MISO Indiana Hub</b> \$24.43	<b>NYISO Zone G</b> \$17.36
<b>PJM West Hub</b> \$22.64	<b>ERCOT North</b> \$26.05	<b>CAISO SP15</b> \$30.46
<b>NYMEX NG</b>		
<b>Apr-20</b>	<b>Close</b> 1.936	<b>Change</b> 0.158
<b>May-20</b>	<b>Close</b> 1.985	<b>Change</b> 0.166
<b>12 Month</b>	<b>Close</b> 2.295	<b>Change</b> 0.136
<b>Cal 21</b>	<b>Close</b> 2.403	<b>Change</b> 0.054
<b>Cal 22</b>	<b>Close</b> 2.411	<b>Change</b> 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%

