

Early Morning Update

The Apr20 natural gas contract is trading down \$0.09 at \$1.79. The Apr20 crude oil contract is down \$2.18 at \$30.80.

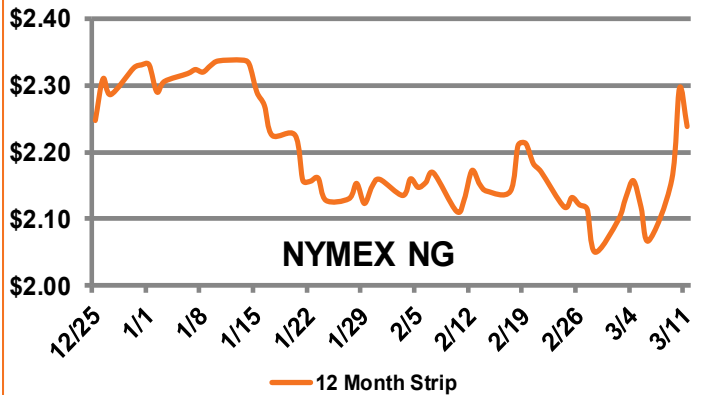
Summary: After climbing nearly 16 cents on Tuesday amid short-covering, the April natural gas contract lost close to six cents throughout yesterday's trading activity and closed at \$1.878/MMBtu. So far in March, the front month settle is averaging \$1.80/MMBtu. This price level is nearly \$1/MMBtu lower than the April settlements from 2017-2019, and still ten cents lower than the 2016 settlement, which has held the low pricing benchmark for the last few years. Although production is still about 4.0 Bcf/d higher year-over-year at 91 Bcf/d, we may see production begin to tail off slightly as global demand for both oil and gas is reduced. Further, storage levels remain healthy exiting a very mild winter. We're expecting a withdrawal of only 56 Bcf this morning, which is well below average versus both last year at 164 Bcf and the five-year average at 99 Bcf. Should this actualize, storage levels are forecasted to be about 60% higher year-over-year. Overall, the currently low-priced environment isn't expected to change anytime soon. Low demand, strong supply, and mild weather on the horizon continue to rule current market fundamentals.

Bullish Factors

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

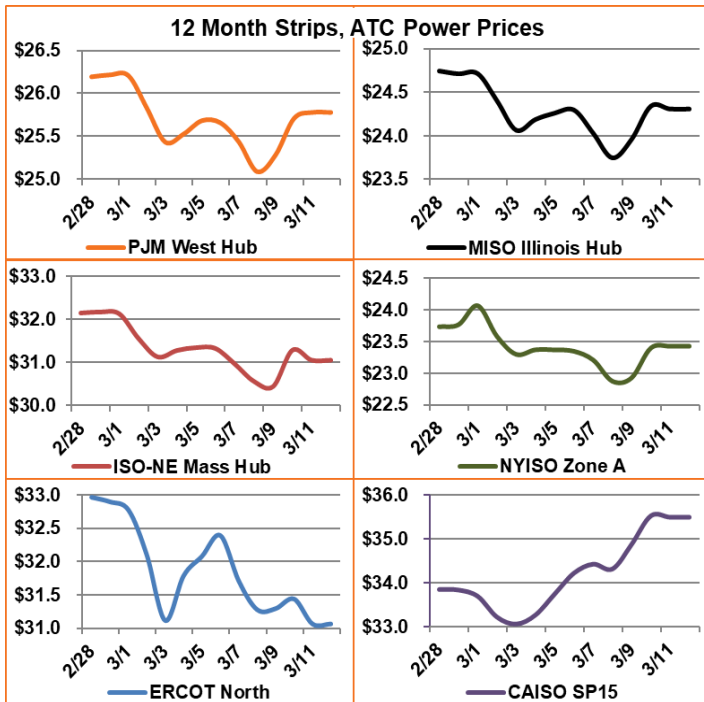
Bearish Factors

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



Next Day On-Peak Power (traded for 3/12/2020)

ISO-NE Mass Hub \$20.58	MISO Indiana Hub \$23.25	NYISO Zone G \$18.11
PJM West Hub \$23.33	ERCOT North \$29.54	CAISO SP15 \$32.27
NYMEX NG	Close	Change
Apr-20	1.878	-0.058
May-20	1.921	-0.064
12 Month	2.238	-0.057
Cal 21	2.361	-0.043
Cal 22	2.375	-0.036



EIA Natural Gas Storage

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

