

Early Morning Update

The Apr20 natural gas contract is trading down \$0.06 at \$1.81. The Apr20 crude oil contract is down \$2.73 at \$29.00.

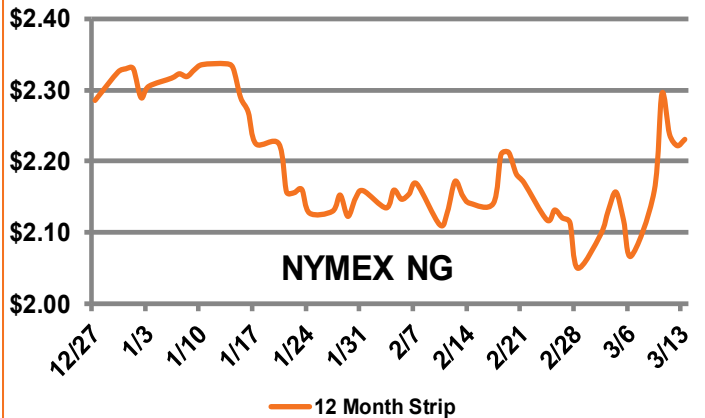
Summary: The natural gas market is having some deja vu, reminding us all of what happened back in the first quarter of 2016. On Friday, the April 2020 NYMEX natural gas futures price saw some strength, trading up 2.8 cents on the day to settle at \$1.869/MMBtu. The prompt month is up about 16 cents week-over-week on expectations of increased demand. In the 1-5 day weather forecast, warmer-than-normal temperatures linger for the eastern half of the country, followed by more normal temps through the end of the month. Cooler temps are forecasted for the western half of the country through the 11-15 day forecasts. So far this month, U.S. dry production remains steady around 92.0 Bcf/d. The question still lingers as to what will happen to production through the end of this year with crude oil pricing near \$30 per barrel and producers experiencing tough financial times.

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 3/16/2020)

ISO-NE Mass Hub \$22.18	MISO Indiana Hub \$25.25	NYISO Zone G \$20.08
PJM West Hub \$25.36	ERCOT North \$36.36	CAISO SP15 \$36.00
NYMEX NG		Change
Apr-20	1.869	0.028
May-20	1.901	0.016
12 Month	2.231	0.009
Cal 21	2.356	0.006
Cal 22	2.339	-0.004

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,043	2,091	1,247	1,816
Diff v. Current		-48	796	227
% Diff			63.8%	12.5%

