

**Early Morning Update**

The Apr20 natural gas contract is up \$0.01 at \$1.66. The Apr20 crude oil contract is down \$0.56 at \$24.66.

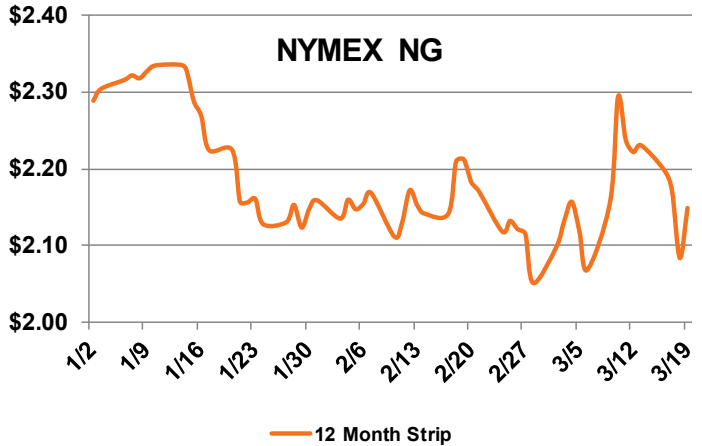
**Summary:** Despite global natural gas demand destruction, and specifically US demand falling an estimated 3 Bcf day-over-day, the April prompt month gained back 5 cents yesterday to settle at a whopping \$1.654/MMBtu, 5 cents above the low that was set on Wednesday. The rolling prompt month has been firmly planted under \$2.00/MMBtu since the 21st of January 2020. Without demand recovery in site, near-term natural gas prices could remain low until at least summer. COVID-19 recovery, summer weather, and the potential for lower domestic natural gas production could trigger upside risk. After Saudi Arabia and Russia announcing plans to increase oil output, crude oil prices collapsed earlier this month. Analysts cautioned that US oil heavy gas regions could eventually reduce their output or shut in as a result of prices being under break-evens. Producers in the more natural gas heavy plays were already struggling at sub \$2.00 natural gas prices bringing the risk for lower natural gas production nationwide. Overall, the current environment gives way to an immense amount of uncertainty for what the future holds. Speaking of the future, calendar strips 2021-2025 range from 2 to 11 cents off their market lows that were set earlier this month and are priced between \$2.36-\$2.50/MMBtu.

**Bullish Factors**

- Slowing production
- Eventual growth in exports
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**Bearish Factors**

- Coronavirus impacts
- Mild temperatures
- Healthy storage levels



**Next Day On-Peak Power (traded for 3/20/2020)**

ISO-NE Mass Hub \$16.70	MISO Indiana Hub \$21.75	NYISO Zone G \$16.75
PJM West Hub \$18.30	ERCOT North \$22.37	CAISO SP15 \$23.75
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
Apr-20	1.654	0.050
May-20	1.726	0.079
12 Month	2.149	0.066
Cal 21	2.382	0.025
Cal 22	2.358	0.014

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	2,034	2,043	1,156	1,753
<b>Diff v. Current</b>		-9	878	281
<b>% Diff</b>			76.0%	16.0%

