

Early Morning Update

The Apr20 natural gas contract is trading down \$0.02 at \$1.64. The May20 crude oil contract is down \$0.84 at \$23.65.

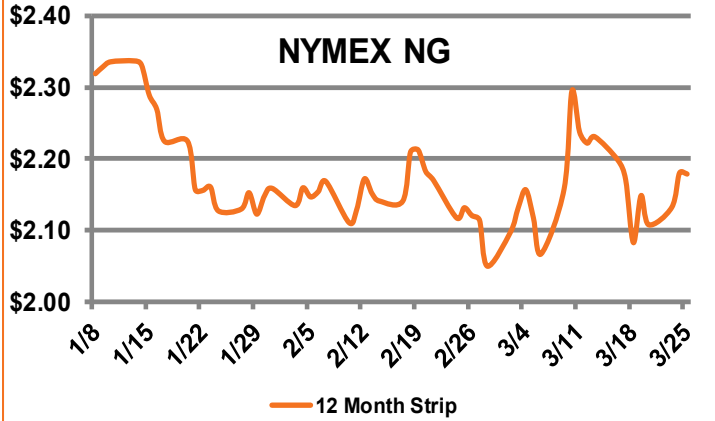
Summary: The April contract gained less than a penny yesterday, up six cents from the 30-year low that was hit on Monday and settling at \$1.659. Even with the historically low prices, production is still very strong and refuses to slow down. Surprisingly, production in the Permian is actually growing under the current circumstances, and even despite most of the gas production being tied to drilling for oil there. However, production is expected to wane over the next few weeks as oil prices are expected to remain low and temperatures are forecasted to climb slowly. The current range of estimates for the weekly storage report is between -21 and -36 Bcf. Last year's withdrawal was a 39 Bcf, and the five-year average pull is 40 Bcf. Stockpiles could be decreased to around 2.01 Tcf, which wouldn't put much of a dent in the year-over-year surplus of nearly 900 Bcf. Natural gas prices for the balance of the year have moved very little over the last month, still hovering around \$2. Cals 21, 22, and 23 also moved about a penny throughout yesterday's trading activity. Cal 21 has displayed the most movement over the last few weeks, up nearly 11 cents month-over-month after closing at \$2.44 yesterday.

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 3/26/2020)

ISO-NE Mass Hub \$17.25	MISO Indiana Hub \$21.75	NYISO Zone G \$16.85
PJM West Hub \$19.83	ERCOT North \$40.00	CAISO SP15 \$18.38
NYMEX NG	Close	Change
Apr-20	1.659	0.006
May-20	1.714	-0.015
12 Month	2.179	-0.001
Cal 21	2.442	0.006
Cal 22	2.368	-0.001

EIA Natural Gas Storage

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

