

Early Morning Update

The May20 natural gas contract is trading down \$0.01 at \$1.58. The May20 crude oil contract is up \$1.89 at \$22.20.

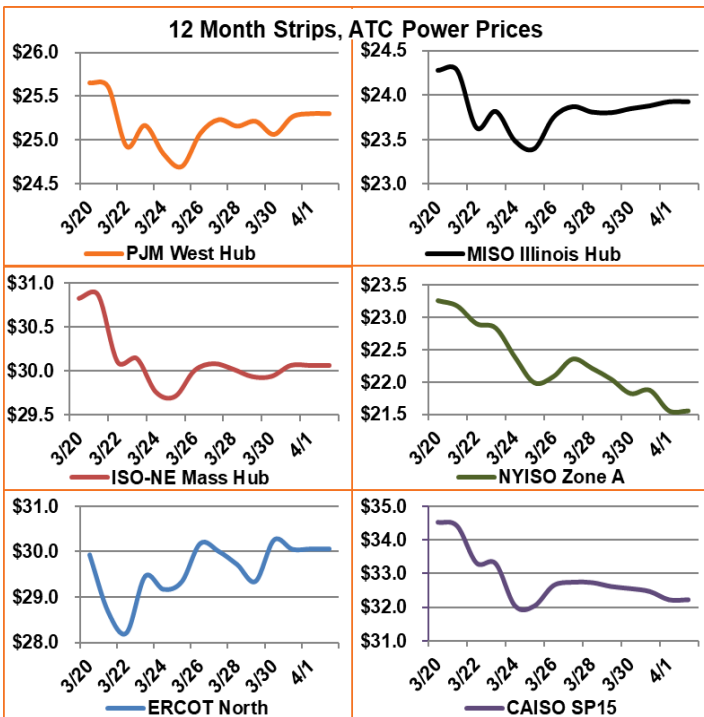
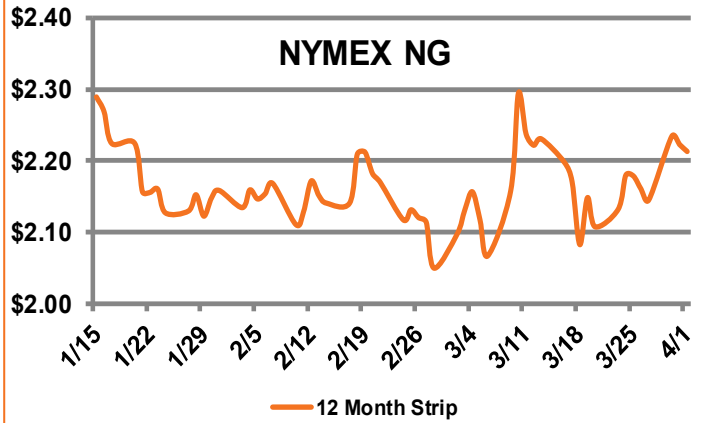
Summary: Just when we think the prompt month can't go any lower, it keeps surprising us. Yesterday, the prompt month closed out the day at the lowest in almost three decades at \$1.587/MMBtu. This is over a nickel lower than the day prior, and \$1.12 cheaper year-over-year. Looking back at this time last year, market participants were loving the sub \$3 prices for natural gas, and to think that we're now down to \$1.587 for the prompt month is rather astounding. Above-average temperatures persist over the next five days in the Northeast, and then expand to the entirety of the eastern half of the country in the 6-10 day outlook. These above-average temperatures, coupled with the demand reduction due to COVID-19, are helping the April 2020 natural gas contract to keep ticking downward. Later on today, the U.S. Energy Information Administration will report on what is expected to be the last storage withdrawal of the season, which is anticipated to be right around 27 Bcf. If this actualizes, it would be slightly more than the 5-year average benchmark, and larger than the 6 Bcf injection seen last year for the corresponding week.

Bullish Factors

- Slowing production
- Eventual growth in exports
-

Bearish Factors

- Coronavirus impacts
- Mild temperatures
- Healthy storage levels



Next Day On-Peak Power (traded for 4/2/2020)

ISO-NE Mass Hub \$20.42	MISO Indiana Hub \$20.00	NYISO Zone G \$16.53
PJM West Hub \$19.03	ERCOT North \$16.73	CAISO SP15 \$13.78
NYMEX NG	Close	Change
May-20	1.587	-0.053
Jun-20	1.712	-0.044
12 Month	2.214	-0.010
Cal 21	2.494	0.010
Cal 22	2.405	0.000

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,005	2,034	1,117	1,713
Diff v. Current		-29	888	292
% Diff			79.5%	17.0%

