

Early Morning Update

The May '24 natural gas contract is trading flat at \$1.76. The May '24 crude oil contract is up \$1.68 at \$86.70.

Summary

Yesterday, the short-term natural gas market lost some ground, with the prompt losing \$0.12 and closing at \$1.76/MMBtu, while the 12-month strip lost \$0.04 and closed at \$2.79/MMBtu. Cals '25 and '26 both saw modest gains, with day-over-day increases of a penny and a nickel, respectively. Farther out terms all saw similar movement, with Cals '27 through '36 all gaining between \$0.06 and \$0.09. U.S. dry production continues to lag behind late 2023 levels, currently sitting at 100.6 Bcf/d and down 1.6 Bcf/d for the week. LNG exports have sunk to 12.0 Bcf/d, 3.0 Bcf/d lower than the historical maximum, mainly due to the continued outage at Freeport LNG along with maintenance-related outages affecting multiple other export facilities. U.S. natural gas demand has pulled off over the course of the week, dropping 7.3 Bcf/d and currently sitting at 78.2 Bcf/d as we head into the middle of spring. The EIA reported a 24 Bcf injection for the week to April 5, which was well above the market analysts' projection of 14 Bcf and marks the official start to injection season after seeing a one-off injection three weeks prior. This injection exactly matches the 5-year average, but was significantly higher than last year's 11 Bcf build. The 20-day forecast is showing significantly above-average temperatures in the near-term, with most of the country outside of the West Coast and Southeast expecting warmer weather through the weekend. Looking further into next week, that warm front is expected to move eastward and concentrate over the Midwest, East Coast, and Gulf Coast.

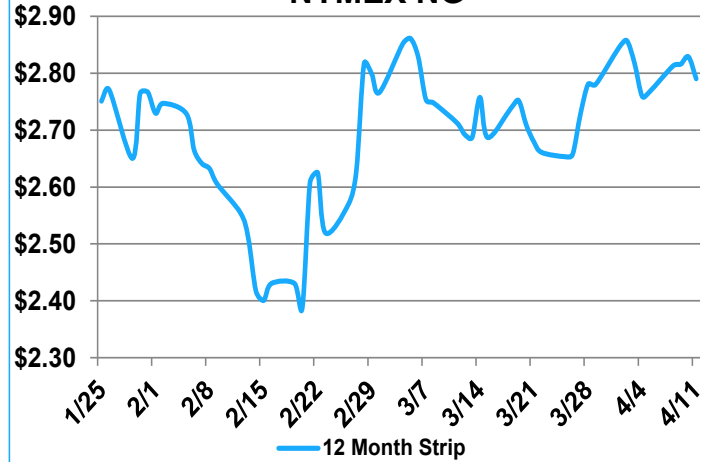
Bearish Factors

- Abundant natural gas storage
- LNG exports down from all-time high
- Mild weather

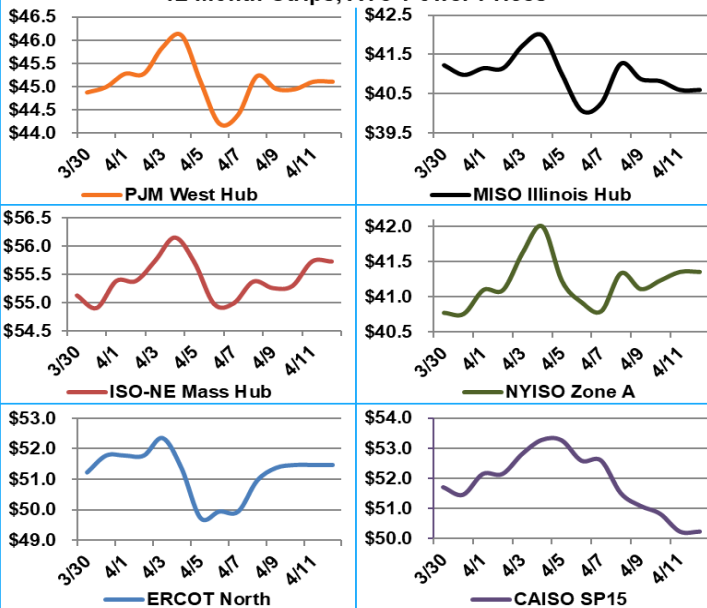
Bullish Factors

- Natural gas production cuts
- Future LNG export growth
- Gas-only rig counts down

NYMEX NG



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 4/12/2024)

ISO-NE Mass Hub \$26.76	MISO Indiana Hub \$27.00	NYISO Zone G \$27.83
PJM West Hub \$32.81	ERCOT North \$10.00	CAISO SP15 \$0.00

NYMEX NG

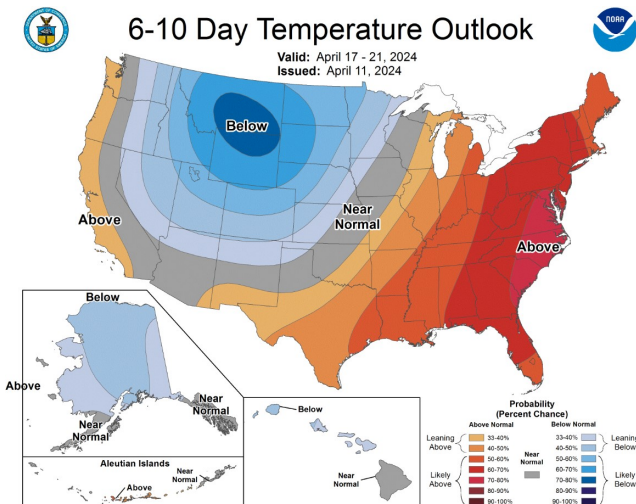
	Close	Change
May-24	1.764	-0.121
Jun-24	2.000	-0.074
12-Month	2.790	-0.038
Cal 25	3.500	0.014
Cal 26	3.887	0.047

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,283	2,259	1,848	1,650
Diff v. Current		24	435	633
% Diff			23.5%	38.4%

6-10 Day Temperature Outlook

Valid: April 17 - 21, 2024
Issued: April 11, 2024



8-14 Day Temperature Outlook

Valid: April 19 - 25, 2024
Issued: April 11, 2024

