

DAILY MARKET UPDATE - April 5, 2023



Early Morning Update

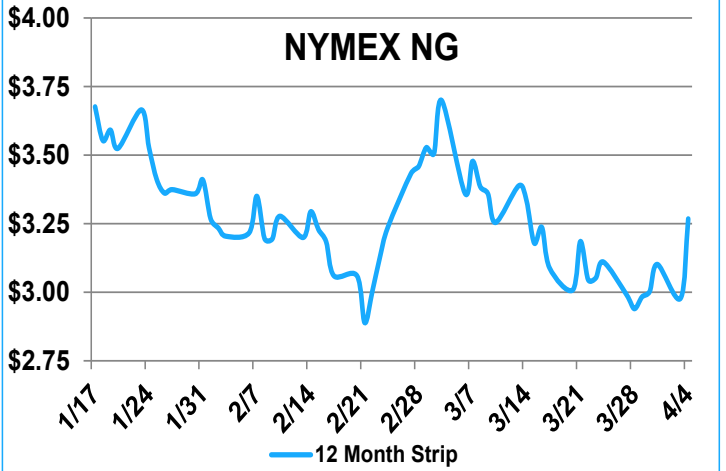
The May '23 natural gas contract is trading up \$0.09 at \$2.19. The May '23 crude oil contract is down \$0.03 at \$80.68.

Summary

The near-term natural gas market was fairly quiet yesterday, moving up a couple of cents versus the prior day settles. Yesterday, the NYMEX prompt month rose less than a penny on the day to settle at \$2.106/MMBtu, with trades falling within an 8-cent range throughout the day. Power markets, on the other hand, were trending up a few dollars for most markets within the Northeast following the unexpected news that the Homer City coal plant in Pennsylvania, which accounts for about 1900 MWs, will be shutting down as early as June 2nd. This would put even more pressure on natural gas power burn levels this summer. Flows to Freeport have pushed up over 2.1 Bcf/d, getting close to the facility's max capacity of just over 2.3 Bcf/d. Total U.S. LNG exports have averaged 13.7 Bcf/d so far this week, down versus last week when we saw levels reach fresh highs over 14.0 Bcf/d. U.S. dry production is averaging 100.3 Bcf/d this week, still flat week over week. Tomorrow, the EIA is expected to report the final withdrawal from storage of the season, with estimates coming in around 24 Bcf. The would be larger than the 5-year average benchmark for that same week and match exactly what was reported this time last year. This would end the withdrawal period with storage sitting at 1.829 Tcf.

Bullish Factors | Bearish Factors

- Stagnant natural gas production
- LNG export growth
- Expected demand growth > supply
- Warming seasonal temperatures
- Moderating demand for natural gas
- Very healthy natural gas storage



Next Day On-Peak Power (traded for 4/5/2023)

ISO-NE Mass Hub \$34.17	MISO Indiana Hub \$37.00	NYISO Zone G \$35.53
PJM West Hub \$35.67	ERCOT North \$30.00	CAISO SP15 \$48.59

NYMEX NG	Close	Change
May-23	2.106	0.009
Jun-23	2.344	0.011
12-Month	2.987	0.009
Cal 24	3.568	0.023
Cal 25	4.203	0.018

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,853	1,900	1,411	1,532
Diff v. Current		-47	442	321
% Diff			31.3%	21.0%

