

MARKET SUMMARY

BIGGEST FACTOR: PRODUCTION & STORAGE

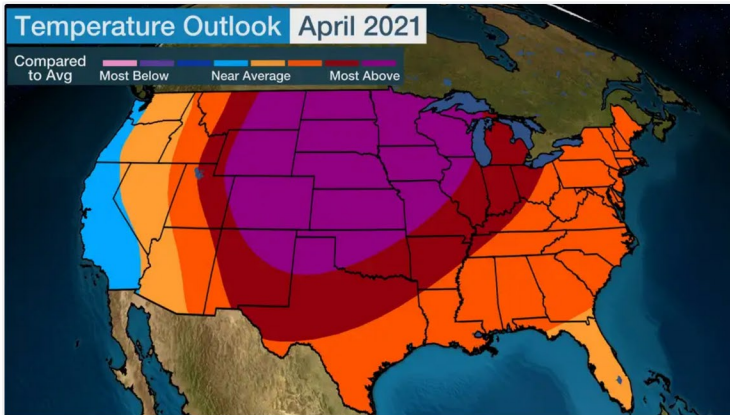
As the U.S enters the natural gas injection season, short-term (12-month) contracts continue to carry a premium thanks to lackluster production and less than ideal storage.

PROCUREMENT TAKEAWAY

Last summer's heatwaves and this winter's severe storms have highlighted the need for regional expertise. Ecom-Energy can help assess the unique risk factors your facility should consider.

WEATHER (NEUTRAL)

TAKEAWAY - The midwest will see the most above average temperatures while the western region will see near average.



Source: The Weather Company

A notable drop in weather-driven demand expectations over the Easter holiday weekend helped send natural gas futures tumbling on April 5.

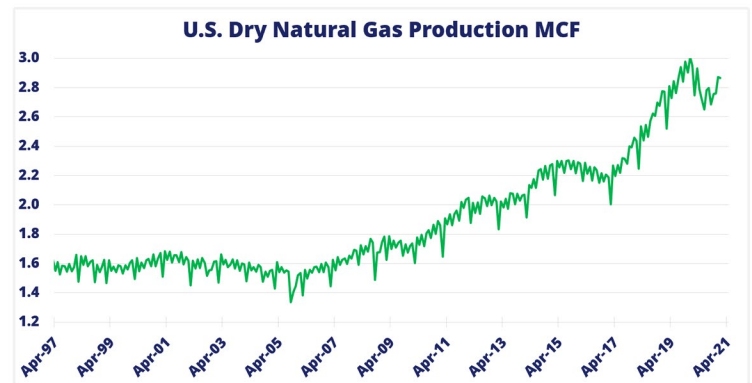
At least 30 lawsuits potentially worth billions of dollars have been filed in four states disputing responsibility for the massive electricity bills many Texans were hit with amid the freezing February weather that caused power outages and a natural gas shortage.

STORAGE (BULLISH)

Total working gas in storage as of March 26 stood at 1,764 Bcf, which is 225 Bcf below year-ago levels and 36 Bcf below the five-year average.

PRODUCTION (BULLISH)

TAKEAWAY - U.S. gas production surged to a nearly 12-month high near the end of March as rising optimism in the oil and gas industry continues to fuel an expansion in drilling activity and upstream investment.

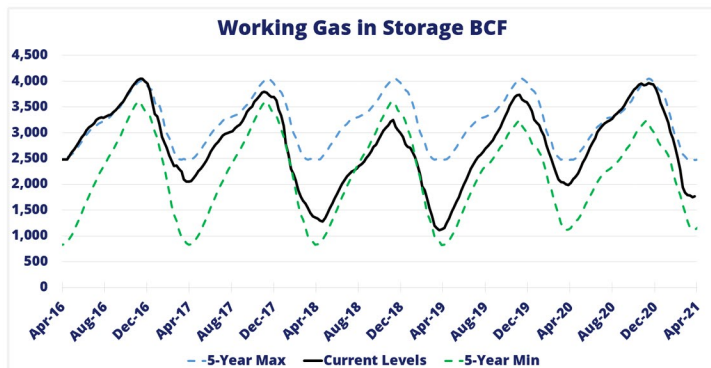


Source: EIA

Exports of liquefied natural gas (LNG) to China, Japan, and South Korea, the biggest importers of the fuel, have surged to record highs in recent months as the heavily industrialized region recovers from COVID-19.

STORAGE (BULLISH)

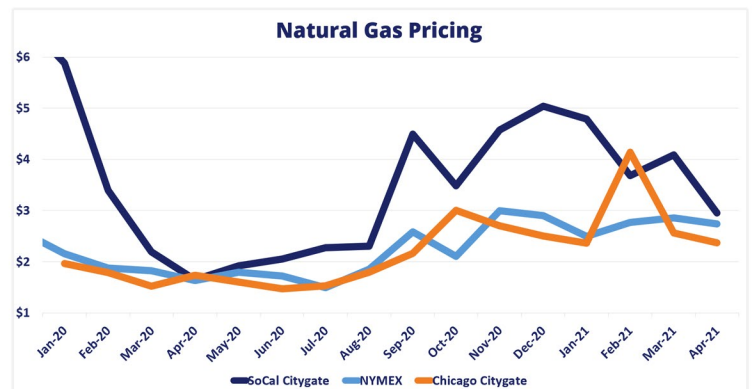
TAKEAWAY - The first storage injection of the year came one week earlier than normal due to mild weather across much of the U.S.



Source: EIA

Summer-long pipeline maintenance will keep upward pressure on Southern California natural gas prices as capacity is limited.

PRICING



Source: EIA

