



Monthly Energy Outlook

SMARTER ENERGY DECISIONS

April 2026

Highlights

Energy markets enter April with increased volatility compared to the relatively stable shoulder-season environment seen in early March. Markets are shifting away from purely seasonal fundamentals towards a more geopolitically driven environment, following significant disruptions across global oil and LNG markets in March.

The escalation of conflict in the Middle East - including attacks on major gas infrastructure, disruptions to LNG facilities in Qatar, and reduced tanker traffic through the Strait of Hormuz - has materially tightened global energy balances. These events temporarily disrupted ~20% of global LNG supply and key oil flows, triggering sharp price volatility across commodities.

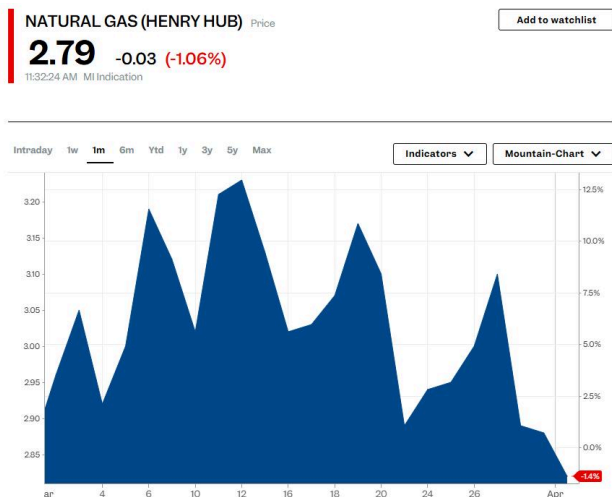
Domestically, U.S. fundamentals remain stable. Natural gas production continues near record levels (~103–105 Bcf/d), and storage is exiting winter near the five-year average. Henry Hub pricing has held in the low-to-mid \$3/MMBtu range, but price direction is increasingly being influenced by LNG feedgas demand, global pricing signals, and geopolitical risk premiums, rather than purely domestic supply-demand balances.

For U.S. power buyers, the near-term picture is mixed. Softer weather-driven demand and stable gas pricing have limited some recent forward power gains, but underlying power market fundamentals remain firm.



Buyer Takeaway

The market remains fundamentally well supplied, but pricing is becoming more sensitive to global events. Buyers should view the current environment as stable but reactive, where short-term opportunities may emerge, but volatility risk remains elevated.



Natural Gas Markets

Liquefied Natural Gas (LNG) Demand & Export

U.S. LNG exports continue to operate near capacity, with current volumes averaging approximately 14–15 Bcf/d, in line with levels observed over the past several months and slightly above year-ago levels.

Recent geopolitical disruptions in the Middle East have introduced additional uncertainty into global LNG supply. IEA's LNG tracker states that QatarEnergy declared force majeure and halted all LNG production in March following attacks on the Ras Laffan facility, and that the North Field East expansion will likely be delayed. Even if U.S. export volumes cannot ramp dramatically in the immediate term, these disruptions increase the strategic value of U.S. LNG and keep domestic gas markets tied to global risk sentiment.

! Buyer Takeaway

LNG continues to be a structural source of demand for U.S. gas, and recent Middle East disruptions reinforce how quickly global events can affect domestic pricing psychology. Buyers should assume that export facility operations, overseas LNG availability, and geopolitical developments will remain active price drivers.

Natural Gas Forwards

Natural gas forward prices have stabilized in the mid-\$3/MMBtu range following the post-winter pullback, but are increasingly reflecting a combination of structural demand and geopolitical risk premium.

While strong production and balanced storage continue to limit downside risk, the forward curve is no longer driven solely by shoulder-season fundamentals. Instead, it reflects a more complex interplay between domestic supply and global market dynamics.

Cal '27

12% from lowest

Cal '28

20% from lowest

Cal '29

28% from lowest

Cal '30

50% from lowest

! Buyer Takeaway

Forward prices remain supported despite balanced fundamentals. Buyers may still find opportunities, but downside potential appears limited if LNG disruptions persist or summer demand strengthens.

NYMEX Strip since Jan-23



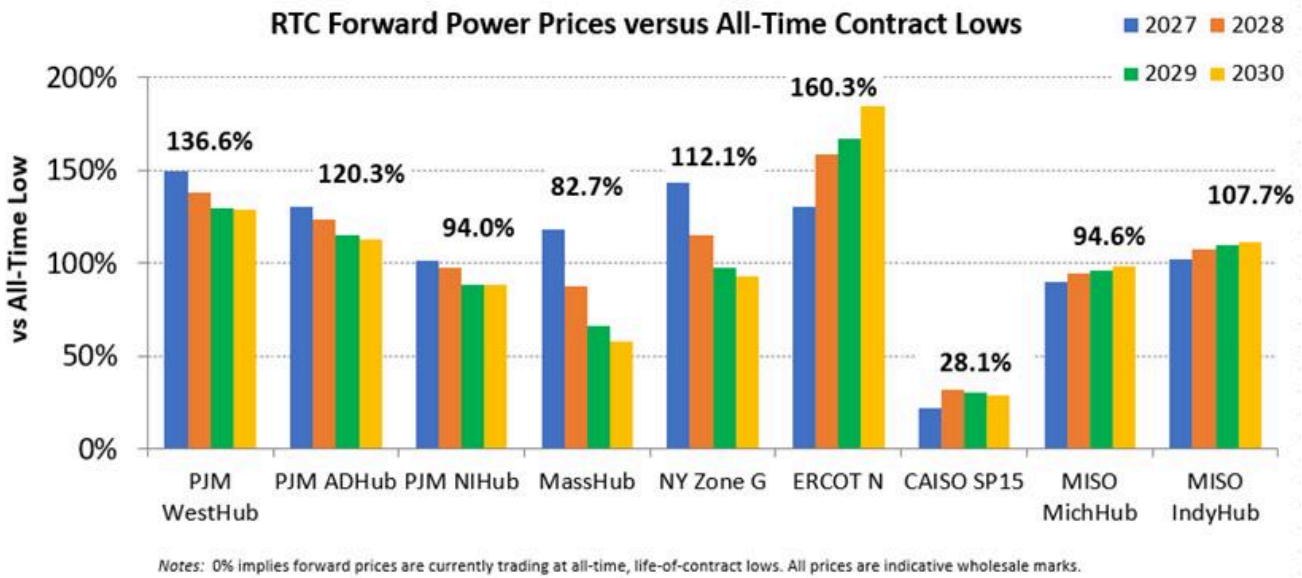
Power Forward Markets

Power forward markets remain closely linked to natural gas trends, with regional differences continuing to shape pricing dynamics.

In PJM and NYISO, forward prices remain elevated compared to this time last year, particularly for winter delivery periods. This reflects a combination of higher natural gas price expectations, increasing demand forecasts, and ongoing reliability considerations.

ERCOT continues to be an outlier, with forward prices generally softer year-over-year, particularly for summer months. However, this relative softness may narrow if summer temperatures drive higher cooling demand or if natural gas prices strengthen.

More recently, forward power markets have shown relatively modest movement, as softer near-term demand expectations have offset some of the upward pressure from global energy market volatility.



Buyer Takeaway

Power markets remain supported by underlying fundamentals, particularly in the Northeast and Mid-Atlantic. Buyers should continue to evaluate regional differences and consider how natural gas trends and summer demand may impact pricing.

Overall Takeaways

Energy markets entering April 2026 remain relatively balanced on a domestic level, with strong natural gas production (~103–105 Bcf/d), storage near the five-year average, and Henry Hub prices holding in the low-to-mid \$3/MMBtu range. However, market conditions have shifted meaningfully over the past several weeks, as disruptions to LNG infrastructure and shipping routes in the Middle East have introduced a new layer of volatility and increased the influence of global markets on U.S. pricing.

For commercial and industrial buyers, the shoulder season still provides an opportunity to evaluate forward coverage before summer cooling demand and hurricane season begin introducing additional risk. While the current environment remains more stable than peak winter conditions, forward markets for both natural gas and power continue to reflect structural support from LNG demand, global supply uncertainty, and regional power market fundamentals.

Regions with greater reliance on natural gas and LNG, such as the Northeast, remain particularly exposed to global pricing dynamics. Constraints in pipeline capacity can require incremental LNG supply, meaning that disruptions in international markets can directly impact local electricity pricing. As global LNG markets have tightened in recent weeks, this exposure has become more pronounced.

In a typical spring market, it can make sense to wait, as seasonality often leads to modest price declines. However, current conditions are less predictable. Increased geopolitical risk, tighter global LNG balances, and growing summer demand expectations suggest that waiting for lower pricing may carry additional risk compared to prior years.

