

**Early Morning Update:**

The Mar18 natural gas contract is trading down \$0.05 at \$2.71. The Mar18 crude contract is up \$0.25 at \$63.64.

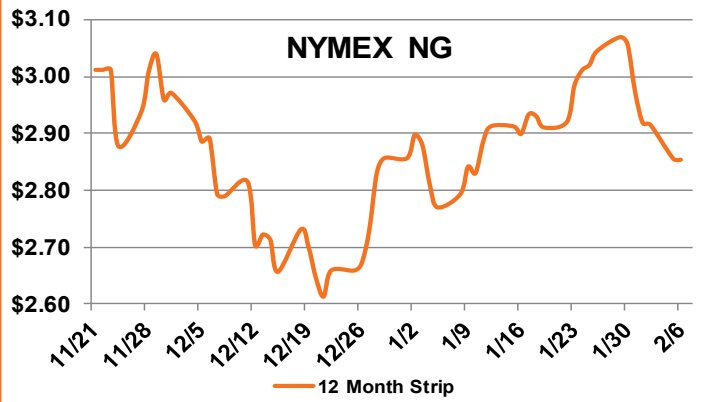
**Summary:** Despite overall bearish fundamentals, the March 2017 natural gas contract gained back a modest 1.2 cents yesterday to finish the day at \$2.759/MMBtu, after losing nearly 44 cents in the last five consecutive trading sessions. Growth in natural gas production and warmer-than-normal temperatures in the National Weather Service's 6-10 and 8-14 day outlooks are helping to depress near-term natural gas prices. After suspending drilling due to environmental concerns on January 24, the FERC gave approval to Rover to recommence drilling under the Tuscarawas River yesterday. Rover estimates that their project will be in full service by the end of Q1 2018. The Rover project, as well as other pipeline projects, will allow for increased natural gas capacity in the Northeast and Midwest and potentially higher natural gas production in the near future.

**Bullish Factors**

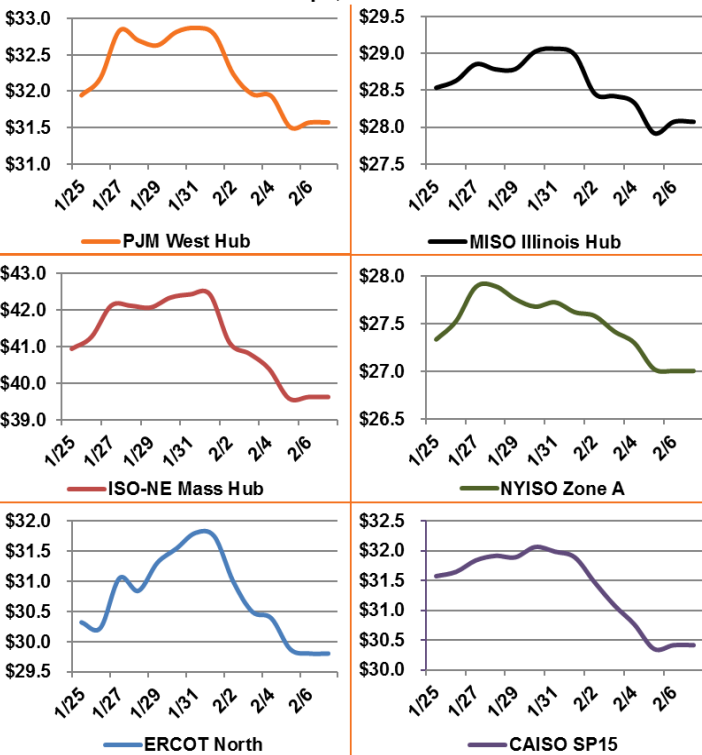
- Low expected storage levels
- LNG exports ramping up
- Exports to Mexico at all-time high

**Bearish Factors**

- NG production at record levels
- Growing renewable energy generation
- Increased NG pipeline capacity



**12 Month Strips, ATC Power Prices**



**Next Day On-Peak Power (traded for 2/7/2018)**

<b>ISO-NE Mass Hub</b> \$76.41	<b>MISO Indiana Hub</b> \$32.50	<b>NYISO Zone G</b> \$37.93
<b>PJM West Hub</b> \$31.26	<b>ERCOT North</b> \$26.25	<b>CAISO SP15</b> \$28.30
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Mar-18	2.759	0.012
Apr-18	2.723	-0.003
12 Month	2.854	-0.002
Cal 19	2.817	-0.002
Cal 20	2.819	0.006

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	2,197	2,296	2,723	2,622
<b>Diff v. Current</b>		-99	-526	-425
<b>% Diff</b>			-19.3%	-16.2%

