

Early Morning Update:

The Mar18 natural gas contract is trading down \$0.02 at \$2.55. The Mar18 crude contract is down \$0.20 at \$61.15.

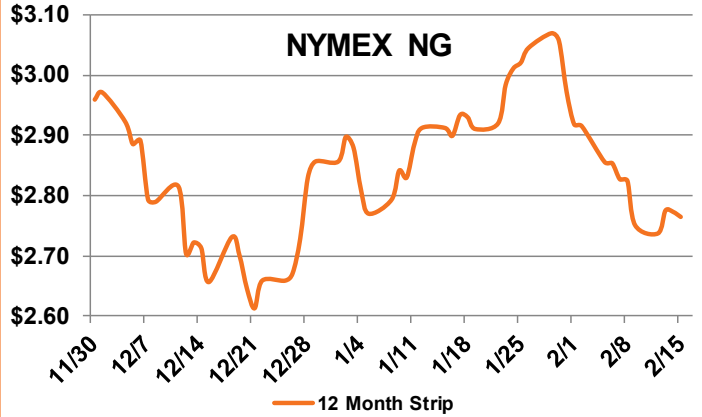
Summary: A very quiet day on the NYMEX as all terms closed the day nearly flat. The EIA reported a draw from storage of 194 Bcf, in-line with expectations. The downward trend in the prompt month has caused pricing to fall below the low levels from mid-Dec, and to the lowest levels in many months. Warm weather forecasts and high production have pressured both gas and power prices. Index pricing has also been low as moderate weather has caused demand to fall from the high levels earlier this winter. Day-ahead prices in NE/NY are similar to what we would expect during shoulder months with temperatures in the low 60's for much of the east coast. Another side effect of this recent warm-up is that estimates for end of season storage has increased to 1.43 Tcf. Just a few weeks ago, the estimate was 1.2 Tcf.

Bullish Factors

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

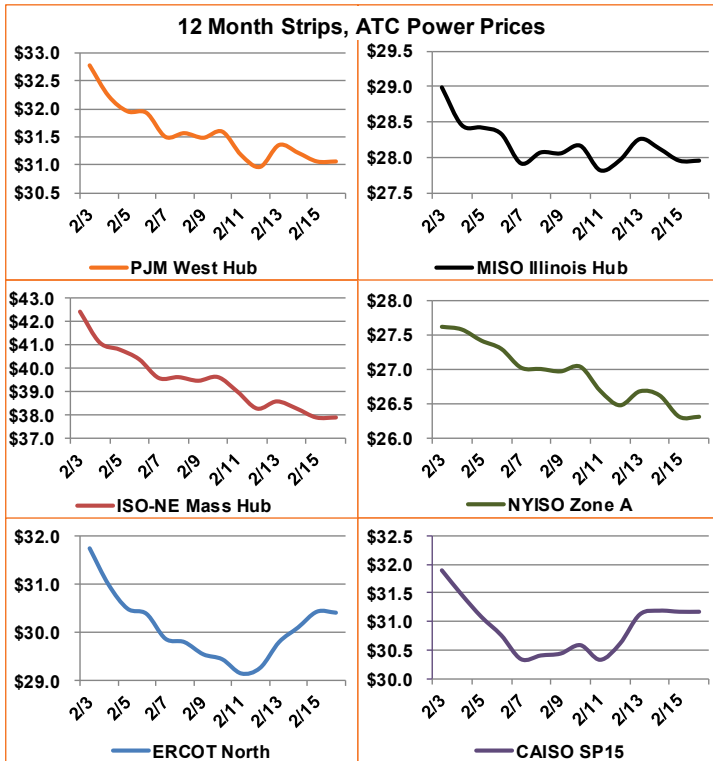
Bearish Factors

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



Next Day On-Peak Power (traded for 2/16/2018)

ISO-NE Mass Hub \$27.28	MISO Indiana Hub \$25.75	NYISO Zone G \$25.22	
PJM West Hub \$23.87	ERCOT North \$20.64	CAISO SP15 \$33.28	
NYMEX NG		Close	Change
Mar-18		2.587	-0.007
Apr-18		2.630	0.007
12 Month		2.773	-0.002
Cal 19		2.772	-0.005
Cal 20		2.771	-0.001



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,884	2,078	2,461	2,317
Diff v. Current		-194	-577	-433
% Diff			-23.4%	-18.7%

