

Early Morning Update:

The Mar17 natural gas contract is trading up \$0.02 at \$2.87. The Mar17 crude contract is down \$0.28 at \$53.08.

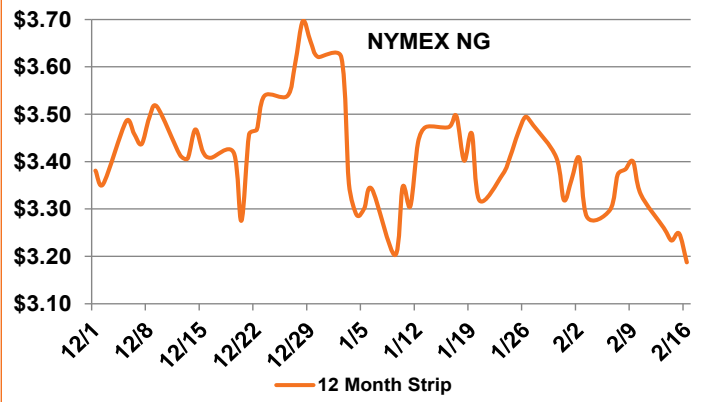
Summary: The NYMEX prompt month finished down \$.071 to close the day at \$2.854. The EIA reported a draw from storage of 114 bcf, which was below last year's draw of 136 bcf, and the five year average of 156 bcf. The report was below the estimates which were in the mid-120's. Weather forecasts have indicated that the majority of the US will be seeing above normal temperatures, which could continue through the end of the heating demand season. The forecasts and lower storage withdrawals have been main factors for the downward trend of NG prompt month prices. With the warm weather trends, storage withdrawals for the upcoming weeks are trending below historic averages. The latest round of estimates for end-of-season storage call are approaching 2.0 Tcf, above the 5-year average but below last year.

Bullish Factors

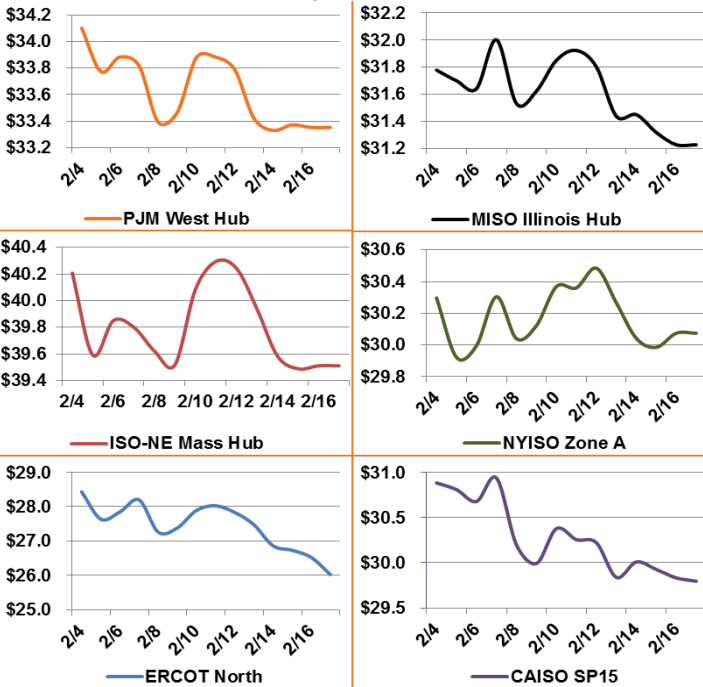
- Stagnant production
- Exports to Mexico at record high
- Growing LNG exports

Bearish Factors

- Warming weather forecasts
- Producer hedging
- Less coal-to-gas switching



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 2/17/2017)

ISO-NE Mass Hub \$29.16	MISO Indiana Hub \$29.51	NYISO Zone G \$32.46
PJM West Hub \$31.58	ERCOT North \$20.44	CAISO SP15 \$26.48
NYMEX NG	Close	Change
Mar-17	2.854	-0.071
Apr-17	2.971	-0.066
12 Month	3.187	-0.061
Bal 17	3.134	-0.064
Cal 18	3.009	-0.023

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,445	2,559	2,748	2,358
Diff v. Current		-114	-303	87
% Diff			-11.0%	3.7%

