

Early Morning Update:

The Mar18 natural gas contract is trading down \$0.05 at \$2.58. The Apr18 crude contract is down \$0.10 at \$62.67.

Summary: The EIA report that was released yesterday turned out to be a non-event as the market barely reacted to the news that 124 bcf was withdrawn from storage for the week ending 2/16. The NG market has been quiet all week as warm weather continues to dominate the east-coast forecast for much of the next ten days. Most power markets have also been quiet, with the exception of Texas, which continues to rally. Generation retirements, load growth and an increased reliance on wind generation has potentially increased the possibility of price spikes for this summer in that market.

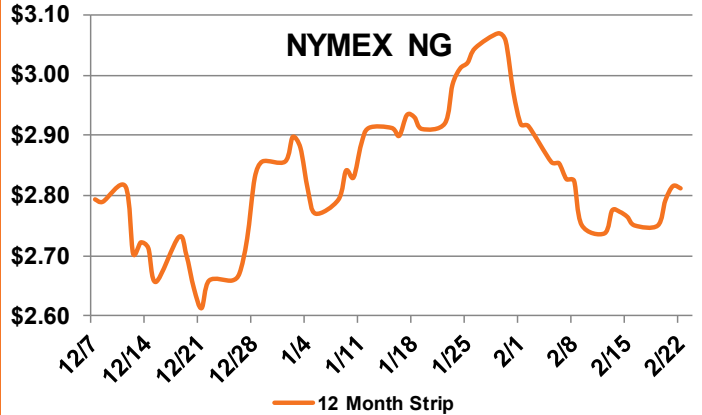
And as winter approaches an end, we're getting a better picture of the storage outlook to end the season. The latest estimates call for storage levels to be at 1.4 Tcf. Well below last year and the 5-year average, but much improved over estimates just a few weeks ago.

Bullish Factors

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

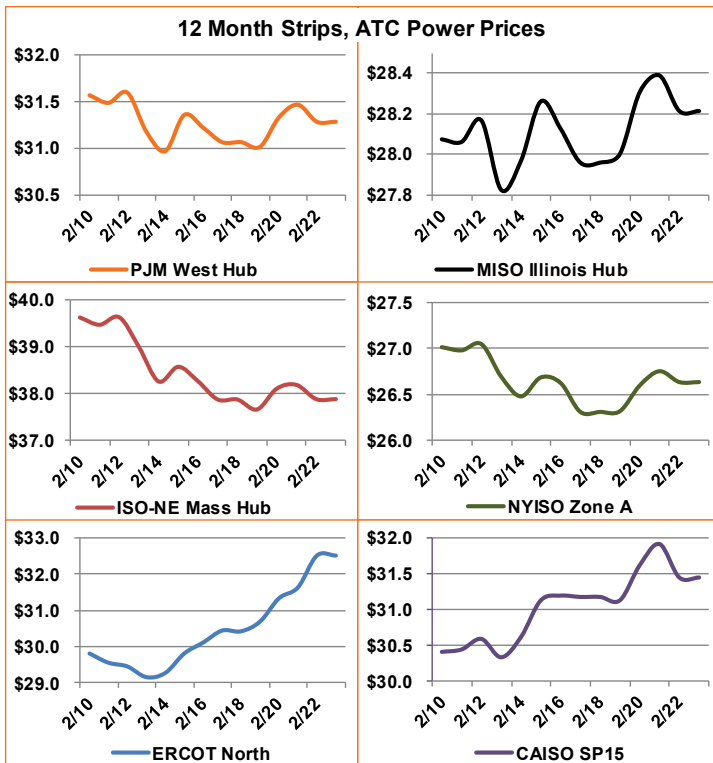
Bearish Factors

- NG production at record levels
- Growing renewable energy generation
- Warm weather



Next Day On-Peak Power (traded for 2/23/2018)

ISO-NE Mass Hub \$26.82	MISO Indiana Hub \$29.75	NYISO Zone G \$29.37
PJM West Hub \$27.21	ERCOT North \$26.00	CAISO SP15 \$36.61
NYMEX NG	Close	Change
Mar-18	2.634	-0.025
Apr-18	2.676	-0.005
12 Month	2.812	-0.004
Cal 19	2.787	0.003
Cal 20	2.780	0.000



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,760	1,884	2,369	2,172
Diff v. Current		-124	-609	-412
% Diff			-25.7%	-19.0%

