

Early Morning Update:

The Mar18 natural gas contract is trading up \$0.03 at \$2.66. The Apr18 crude contract is down \$0.25 at \$63.30.

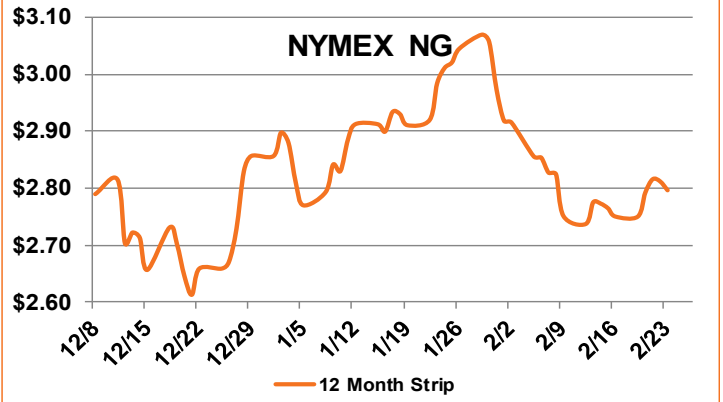
Summary: On Friday, the NYMEX natural gas futures price for March dropped slightly by 0.9 cents on the day to settle at \$2.625/MMBtu. The cold weather has subsided for the eastern half of the country, and temperatures are forecasted to remain in the normal to above-normal temperature range through the beginning of March. Colder-than-normal temperatures in the west appear to linger a little while longer into the 11-15 day forecasts. Due to the warmer temperatures in the East, the heating demand for natural gas has remained rather bearish, with only a slight uptick this morning due to an increase in ResComm demand in the Northeast. The EIA reported that overall U.S. demand for natural gas for the week that ended February 21st was down 14%, at 74.8 Bcf/d. The Dominion Cove Point LNG export facility is preparing for its start-up at the end of March, and has begun production for its first export. This facility is designed to run 24/7, and has the capability to produce up to 8.3 million gallons of LNG daily.

Bullish Factors

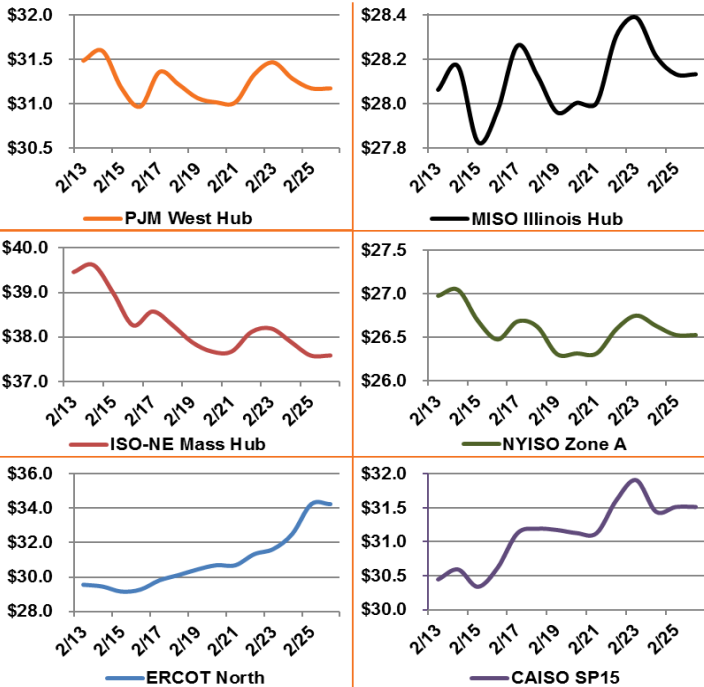
- Low expected storage levels
- LNG exports ramping up
- Exports to Mexico at all-time high

Bearish Factors

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



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 2/26/2018)

ISO-NE Mass Hub \$26.75	MISO Indiana Hub \$29.40	NYISO Zone G \$26.41
PJM West Hub \$25.68	ERCOT North \$26.00	CAISO SP15 \$40.50
NYMEX NG	Close	Change
Mar-18	2.625	-0.009
Apr-18	2.657	-0.019
12 Month	2.797	-0.016
Cal 19	2.783	-0.004
Cal 20	2.775	-0.005

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%

