

**Early Morning Update:**

The Apr17 natural gas contract is trading down \$0.10 at \$2.68. The Apr17 crude contract is up \$.52 at \$54.51.

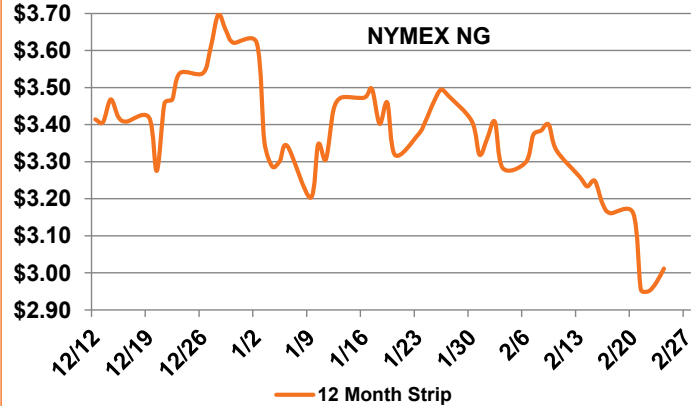
**Summary:** Despite a slight uptick in Northeast demand over the weekend, mild temperatures remain as the April delivery contract continued its spring slide opening down 10cents this morning at \$2.68. This is the lowest price the prompt month has hit since last April, two months into the post-winter rally that began last February. NYMEX calendars '18, '19, and '20 pricing remained flat over the weekend, while the summer '17 and winter '18 strips are up 3-5cents day-over-day. Production sustained 70-71bcf since Friday as about 27bcf was chipped away from storage inventory. ERCOT, CAISO, and PJM retained their near all-time lows through 2020 over the weekend while the NY, MISO, and NEPOOL premiums held strong. The March contract expired on Friday, and April is now the prompt month.

**Bullish Factors**

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

**Bearish Factors**

- Record warm weather
- Producer hedging
- Less coal-to-gas switching



**Next Day On-Peak Power (traded for 2/27/2017)**

ISO-NE Mass Hub \$23.62	MISO Indiana Hub \$26.46	NYISO Zone G \$26.21
PJM West Hub \$29.09	ERCOT North \$18.61	CAISO SP15 \$29.84
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Mar-17	2.627	0.010
Apr-17	2.787	0.038
12 Month	3.011	0.038
Bal 17	2.957	0.039
Cal 18	2.931	0.011

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	2,445	2,356	2,618	2,200
<b>Diff v. Current</b>		89	-173	245
<b>% Diff</b>			-6.6%	11.1%

