

**Early Morning Update:**

The Apr18 natural gas contract is trading flat at \$2.67. The Apr18 crude contract is down \$0.33 at \$61.32.

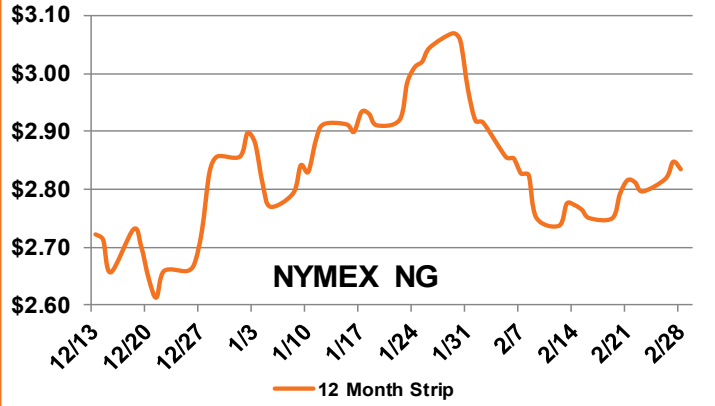
**Summary:** As we move closer to spring, lower-than-normal temperatures are having less of an effect on demand for natural gas, as low daily temperatures continue to increase. Lower-than-normal temperatures are dominating the western half of the U.S., while above-average temperatures are spread across the Northeast, the Midwest, and the Central region down into Texas. Combined with an expected steep decline in the rate of storage erosion, bearish fundamentals helped push the April natural gas contract lower on Wednesday, settling at \$2.667/MMBtu, down 1.6 day-over-day. Estimates for the EIA's weekly storage withdrawal to be reported this morning for the week to Feb. 23 range from 60 to 82 Bcf, with consensus in the mid-70s. Although a pull at consensus is more than the seven Bcf seen last year for the same week, it is a far cry from the 118 Bcf five-year average. Warmer weather during the reporting week helped push NG demand in the Res/Comm sector down 24% week-over-week. Projections for the next two weeks are expected to be about a third of what is usually seen for this time of year.

**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

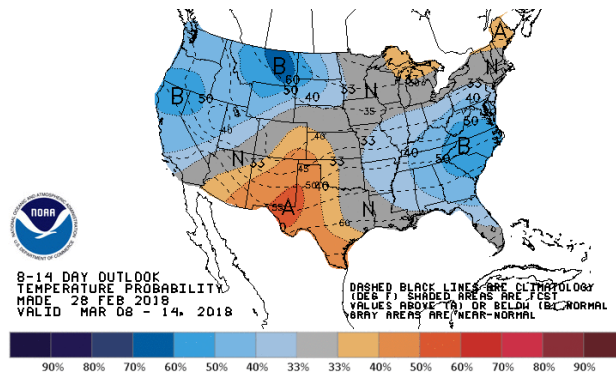
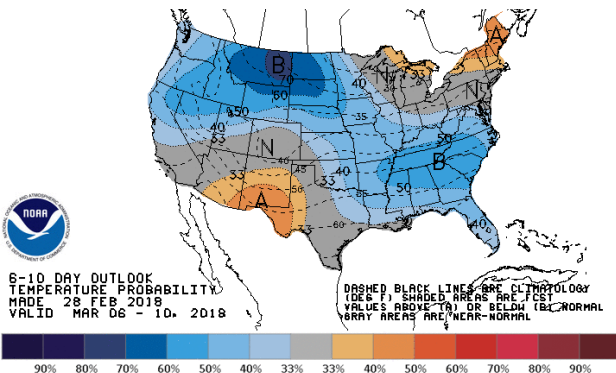
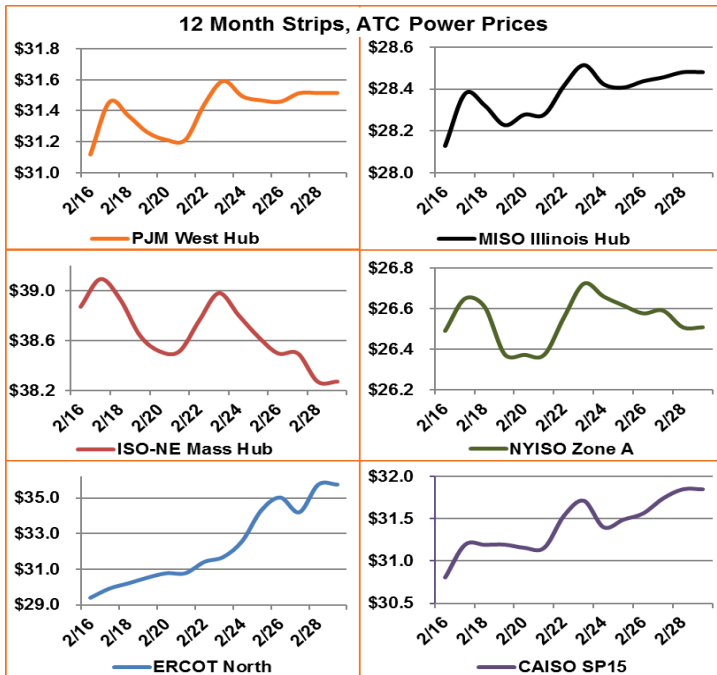


**Next Day On-Peak Power (traded for 3/1/2018)**

<b>ISO-NE Mass Hub</b> \$25.30	<b>MISO Indiana Hub</b> \$36.00	<b>NYISO Zone G</b> \$24.38
<b>PJM West Hub</b> \$27.38	<b>ERCOT North</b> \$23.00	<b>CAISO SP15</b> \$34.38
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Apr-18	2.667	-0.016
May-18	2.696	-0.016
12 Month	2.835	-0.013
Cal 19	2.772	-0.022
Cal 20	2.752	-0.020

**EIA Natural Gas Storage**

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



This document is for informational purposes only. All the information provided is "as is" and is not intended for trading purposes or advice. Direct Energy makes no representations or warranties, express or implied, as to the quality, accuracy, completeness, or reliability of the information provided in this newsletter. Further, Direct Energy is not liable for any informational errors or incompleteness or for any actions taken in reliance on information contained herein. Direct Energy® and the Energy Bolt design are registered trademarks of Direct Energy Marketing Limited.