

Early Morning Update:

The Apr18 natural gas contract is up \$.02 at \$2.71. The Apr18 crude contract is down \$0.22 at \$60.77.

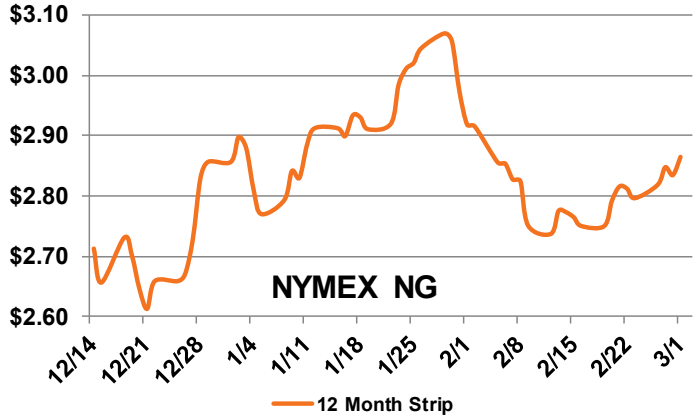
Summary: Yet another quiet day on the NYMEX as the Apr '18 contract rose a scant \$.031 to close at \$2.698. This week has overall been very quiet for both gas and most power markets, ERCOT notwithstanding. Continuing concerns about potential changes to the ERCOT ORDC, reserve margins, plant retirements and increased reliance on intermittent resources have driven summer prices through the proverbial roof. July-Aug '18 has risen from \$89 onpk on Feb 9 to a close yesterday of \$145. On the gas side, the EIA reported a draw from storage of 78 Bcf, roughly in-line with estimates. East estimates for next week call for a draw in the upper 50's with end-winter estimates currently at 1.4 Tcf.

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 3/2/2018)

ISO-NE Mass Hub \$28.39	MISO Indiana Hub \$27.80	NYISO Zone G \$24.38
PJM West Hub \$32.58	ERCOT North \$22.84	CAISO SP15 \$32.28
NYMEX NG		
	Close	Change
Apr-18	2.698	0.031
May-18	2.729	0.033
12 Month	2.865	0.030
Cal 19	2.790	0.018
Cal 20	2.760	0.007

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,682	1,760	2,362	2,053
Diff v. Current		-78	-680	-371
% Diff			-28.8%	-18.1%

