

Early Morning Update:

The Apr18 natural gas contract is up \$.02 at \$2.72. The Apr18 crude contract is up \$0.45 at \$63.02.

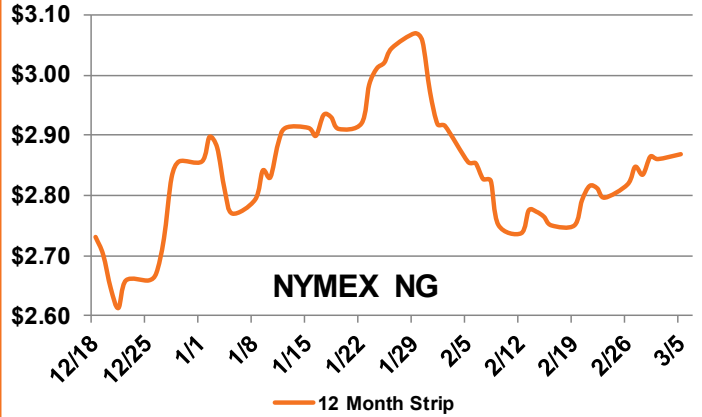
Summary: The April prompt month rose slightly on Monday, adding less than a cent to settle at \$2.704. The 12-month strip and calendar 2019 barely moved up as well, finishing the day at \$2.869 and \$2.789 respectively, while 2020 rose a cent to \$2.766. Weather forecasts have taken a slightly colder turn over the last few days, indicating normal to moderately below normal temperatures may extend through next week, keeping demand at levels around 9% higher than March 2017. Despite the slightly colder turn of the next two weeks, strong production continues to bring confidence to the market as levels average near 78 bcf/d with no sign of letting up. The new LNG export facility at Cove Point in Maryland was officially approved for commercial service yesterday, as it becomes the second such facility in the United States. At full capacity, Cove Point has export capabilities of about 0.75 bcf/d, but will not see another tanker arrive for export until the end of this month.

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 3/6/2018)

ISO-NE Mass Hub \$32.54	MISO Indiana Hub \$29.13	NYISO Zone G \$31.06
PJM West Hub \$33.69	ERCOT North \$28.00	CAISO SP15 \$38.50
NYMEX NG	Close	Change
Apr-18	2.704	0.009
May-18	2.738	0.011
12 Month	2.869	0.008
Cal 19	2.789	0.005
Cal 20	2.766	0.011

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%

