

Early Morning Update:

The Apr17 natural gas contract is trading up \$0.09 to \$2.91. The Apr17 crude contract is down \$0.74 at \$52.40.

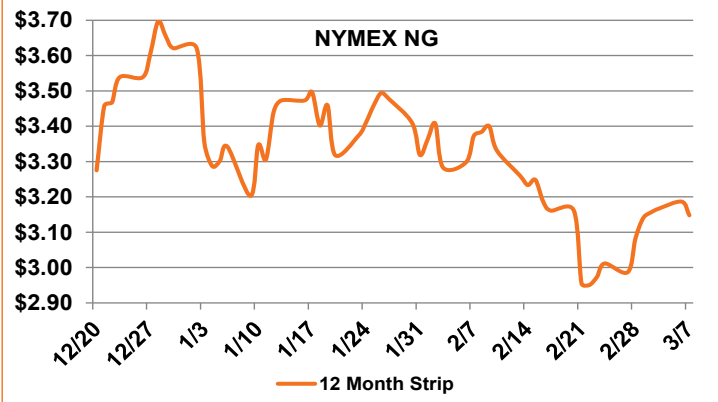
Summary: Yesterday, in another liquid trading session, the April 2017 natural gas contract settled down 7.7 cents at \$2.824/MMBtu, erasing Monday's gains and ending a five-day trading streak of gains, indicating participants may consider the contract overbought in prior sessions. Calendar strip prices were mostly unchanged yesterday and are still trading close to the recent Fall 2016 low points. Even with colder temperatures holding steady in near-term weather forecasts, heating related demand cannot be depended on as the weather shifts towards spring, and mild temperatures become the norm. Also yesterday, the EIA released their Short-Term Energy Outlook. Notable changes to the previous outlook include increasing liquefied natural gas (LNG) exports for 2017 and 2018 by 0.4 and 0.2 Bcf/d, bringing the forecast to 1.8 and 2.8 Bcf/d, respectively, and decreasing the 2017 and 2018 Henry Hub natural gas spot prices 40 cents and 25 cents to \$3.03/MMBtu and \$3.45/MMBtu, respectively. The EIA cited updates to commercial in-service dates and ramp-up periods of LNG facilities currently under construction as the reason for the LNG export increases, and mild temperatures as the reason for the Henry Hub price decreases.

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

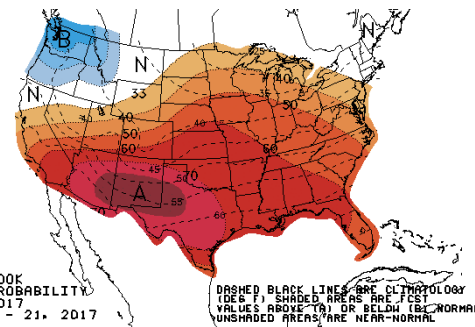
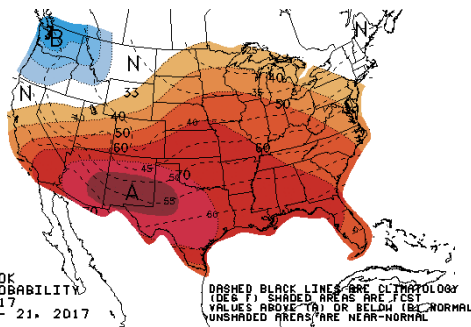
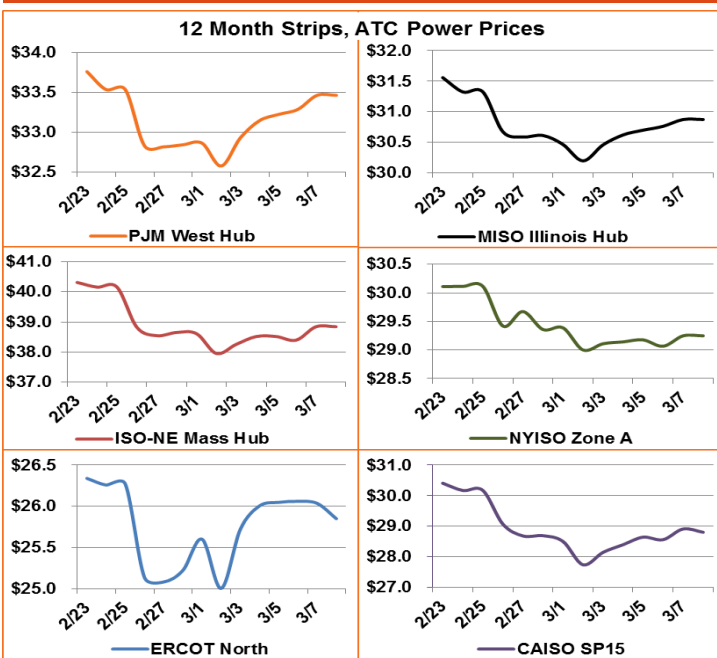


Next Day On-Peak Power (traded for 3/8/2017)

ISO-NE Mass Hub \$21.65	MISO Indiana Hub \$31.51	NYISO Zone G \$23.25
PJM West Hub \$26.43	ERCOT North \$20.38	CAISO SP15 \$23.55
NYMEX NG	Close	Change
Apr-17	2.824	-0.077
May-17	2.921	-0.063
12 Month	3.148	-0.039
Bal 17	3.075	-0.042
Cal 18	2.992	-0.017

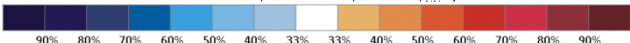
EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,363	2,356	2,550	2,068
Diff v. Current		7	-187	295
% Diff			-7.3%	14.3%



8-14 DAY OUTLOOK TEMPERATURE PROBABILITY MADE 7 MAR 2017 VALID MAR 15 - 21, 2017

DASHED BLACK LINES ARE CLIMATOLOGY (OBS.) SHADED AREAS ARE 1% (1%) VALUES ABOVE (A) OR BELOW (B) NORMAL UNSHADED AREAS ARE NEAR-NORMAL



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