

**Early Morning Update:**

The Apr18 natural gas contract is down 3.0 cents at \$2.73. The Apr18 crude contract is up \$0.80 at \$60.96.

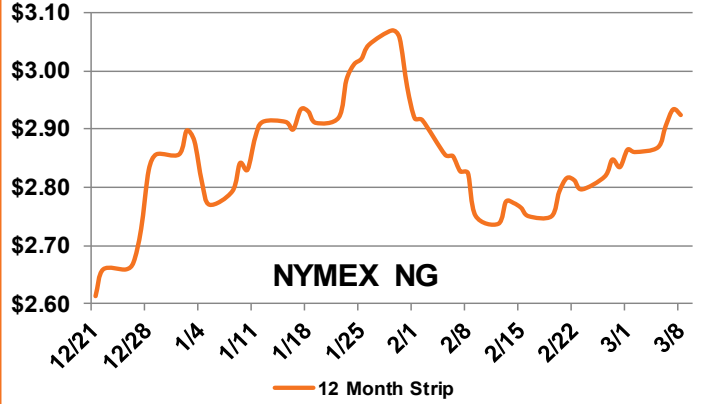
**Summary:** Yesterday, NYMEX natural gas futures price for April dipped 2.1 cents on the day to settle at \$2.756/MMBtu. The recent chill in the Eastern half of the country, a major demand center for natural gas demand, appears to be short lived as moderating weather forecasts predict a blanket of more normal temperatures for this time of year. The 6-10 day forecast is showing slightly colder temperatures for the Western half of the country. Production levels remain strong, range bound between the 77-78 Bcf/d. Healthy production and moderating weather forecasts seem to be keeping the price volatility minimal during the most recent blast of cold, and doesn't appear to have added too much upward pressure on pricing compared to what we saw earlier this year. The EIA reported a draw from storage of 57 Bcf, which was slightly below the consensus of around 59 Bcf. This was equal to the pull seen last year for the corresponding week, but far less than the 129 Bcf five-year average. The end-of-winter estimates remain around 1.4 Tcf.

**Bullish Factors**

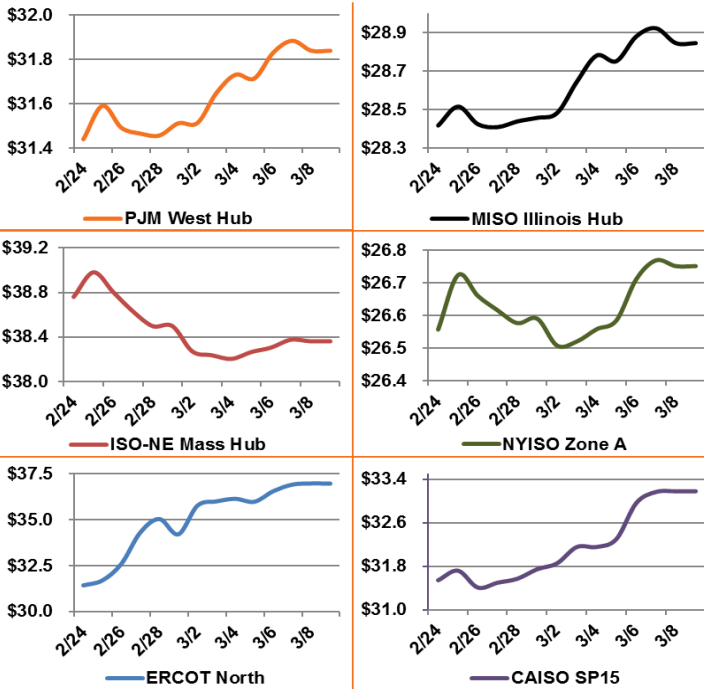
- Low expected storage levels
- LNG exports ramping up
- Exports to Mexico at all-time high

**Bearish Factors**

- NG production at record levels
- Growing renewable energy generation
- Warm weather



**12 Month Strips, ATC Power Prices**



**Next Day On-Peak Power (traded for 3/9/2018)**

|                            |                             |                         |
|----------------------------|-----------------------------|-------------------------|
| ISO-NE Mass Hub<br>\$34.96 | MISO Indiana Hub<br>\$30.50 | NYISO Zone G<br>\$29.94 |
| PJM West Hub<br>\$35.92    | ERCOT North<br>\$21.86      | CAISO SP15<br>\$32.77   |
| <b>NYMEX NG</b>            | <b>Close</b>                | <b>Change</b>           |
| Apr-18                     | 2.756                       | -0.021                  |
| May-18                     | 2.787                       | -0.019                  |
| 12 Month                   | 2.924                       | -0.010                  |
| Cal 19                     | 2.818                       | -0.002                  |
| Cal 20                     | 2.759                       | -0.012                  |

**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%      |

