

Early Morning Update:

The Apr17 natural gas contract is trading up \$0.03 to \$3.00. The Apr17 crude contract is up \$0.30 at \$49.58.

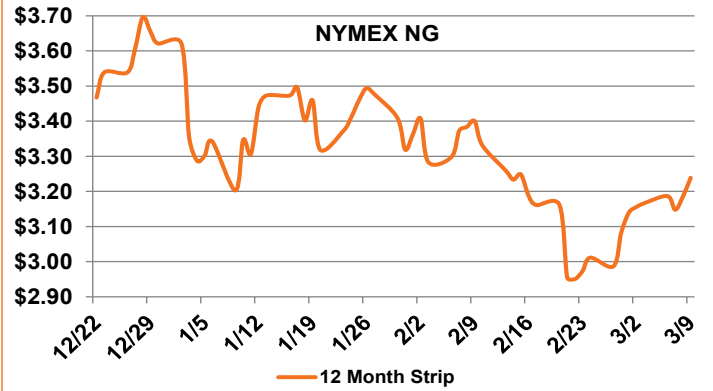
Summary: Natural gas for the prompt month settled 7.3 cents higher yesterday at \$2.974 after a larger than expected storage withdrawal of 68 Bcf. Another main driver of this upward movement in price were due to a change in short term weather forecast calling for colder temperatures throughout the northeast, along with stagnant production. While this storage withdrawal is larger than expected, it is still significantly lower than last year's withdrawal at this time of 136 Bcf. The cold seems to be short lived, and most of the US will again see above normal temperatures throughout the rest of March. End-of-season storage projections are still calling for around 2.1 TCF.

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 3/10/2017)

ISO-NE Mass Hub \$41.60	MISO Indiana Hub \$32.70	NYISO Zone G \$34.00
PJM West Hub \$33.60	ERCOT North \$25.95	CAISO SP15 \$21.96
NYMEX NG	Close	Change
Apr-17	2.974	0.073
May-17	3.046	0.065
12 Month	3.239	0.053
Bal 17	3.176	0.057
Cal 18	3.029	0.020

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,295	2,363	2,487	1,932
Diff v. Current		-64 (-68)	-192	363
% Diff			-7.7%	18.8%

