

**Early Morning Update:**

The Apr17 natural gas contract is trading up \$0.05 to \$3.06. The Apr17 crude contract is down \$0.19 at \$48.30.

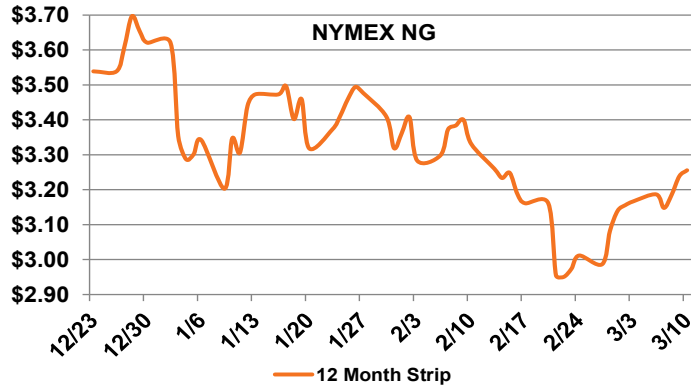
**Summary:** Natural gas prices continue to respond to cold weather and lower production. On Friday, the prompt month settled at \$3.008/MMBtu, up 3.4 cents day-over-day. Analysts fear that the late winter cold in the East and Midwest may cause short-term prices to hover around \$3 as production failed to improve over the weekend. There is hope that prices will fall once again when weather conditions moderate in about two weeks. The April delivery contract opened this morning at \$3.08/MMBtu, up seven cents from last Monday. Monthly futures for the balance of 2017 are following the same trend, up over ten cents since the beginning of the month. Seasonal and forward calendar strip pricing has also climbed, most notably in next winter's pricing. Calendar strips in PJM and the western power markets have finally begun to feel the effects of bullish gas, bouncing up slightly from last week's all-time lows. It's no surprise that MA and NY are up, as well.

**Bullish Factors**

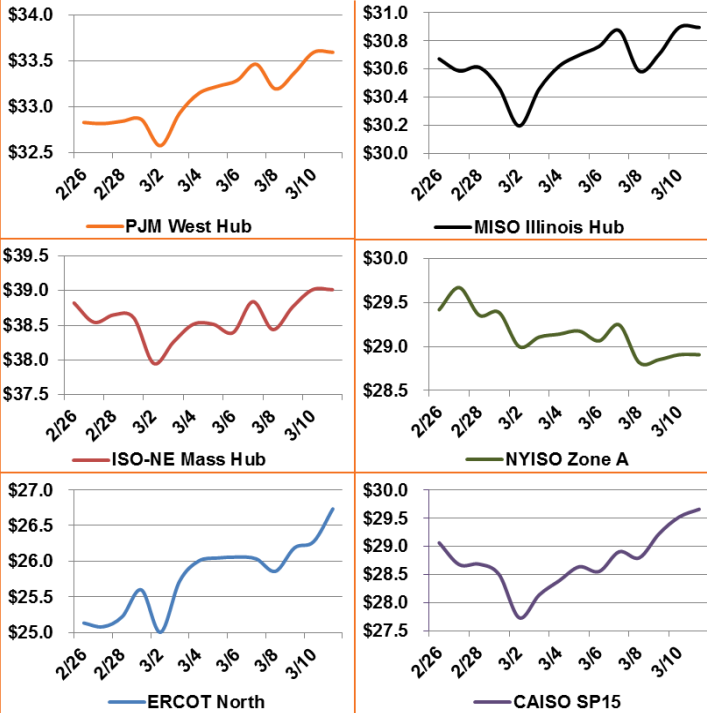
- Stagnant production
- Exports to Mexico at record high
- Growing LNG exports

**Bearish Factors**

- Record warm weather
- Producer hedging
- Less coal-to-gas switching



**12 Month Strips, ATC Power Prices**



**Next Day On-Peak Power (traded for 3/13/2017)**

<b>ISO-NE Mass Hub</b> \$56.50	<b>MISO Indiana Hub</b> \$33.81 3/11/17	<b>NYISO Zone G</b> \$47.13 3/1/17
<b>PJM West Hub</b> \$43.77	<b>ERCOT North</b> \$25.00 3/11/17	<b>CAISO SP15</b> \$27.72
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Apr-17	3.008	0.034
May-17	3.074	0.028
12 Month	3.255	0.017
Bal 17	3.196	0.020
Cal 18	3.035	0.006

**EIA Natural Gas Storage**

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

