

**Early Morning Update:**

The Apr18 natural gas contract is trading up \$0.01 at \$2.79. The Apr18 crude contract is down \$0.06 at \$61.30.

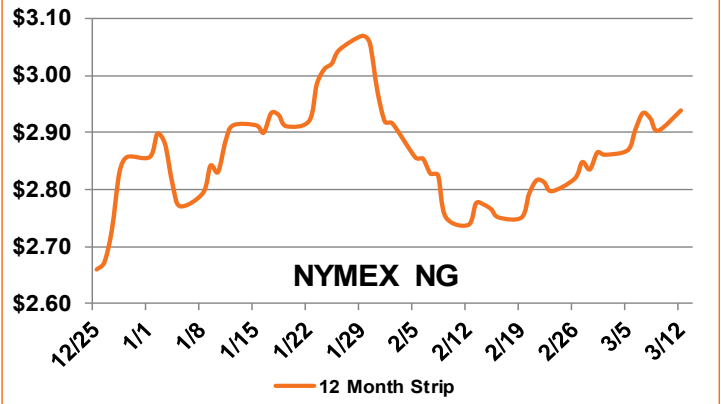
**Summary:** After the National Weather Service made slight bullish revisions to their 6-10 and 8-14 outlooks, the April 2018 NYMEX NG contract gained 4.6 cents yesterday to settle at \$2.778, 37 cents higher than the lowest April 2018 settlement price, which occurred on 2/23/16. Near-term price movements have been primarily weather-driven over the past few weeks, and yesterday was no exception to the trend. RTO and ISO comments were due last Friday in the FERC's resiliency proceedings. The FERC's resiliency investigation was launched after rejecting a DOE proposal to ensure grid reliability that would mostly benefit coal and nuclear power plants. MISO, ISO New England, PJM, and even ERCOT filed comments before the deadline last week. Grid reliability has been a hot regulatory topic for the past several years, and continues to make headlines as more and more generation struggles across the United States. Although the future is uncertain, longer-term natural gas prices continue to trade close to \$2.80/MMBtu, and are only ~6 cents higher than the market lows, with the exception of calendar 2019, which is 23 cents higher than the lowest settlement of \$2.60 on 2/25/16.

**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

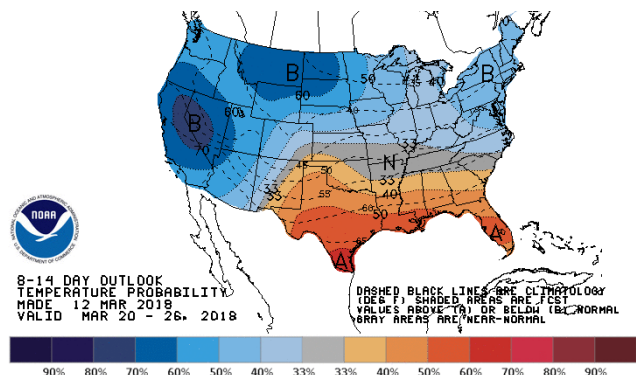
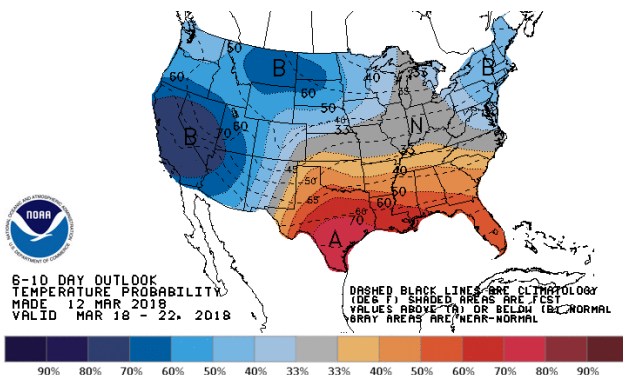
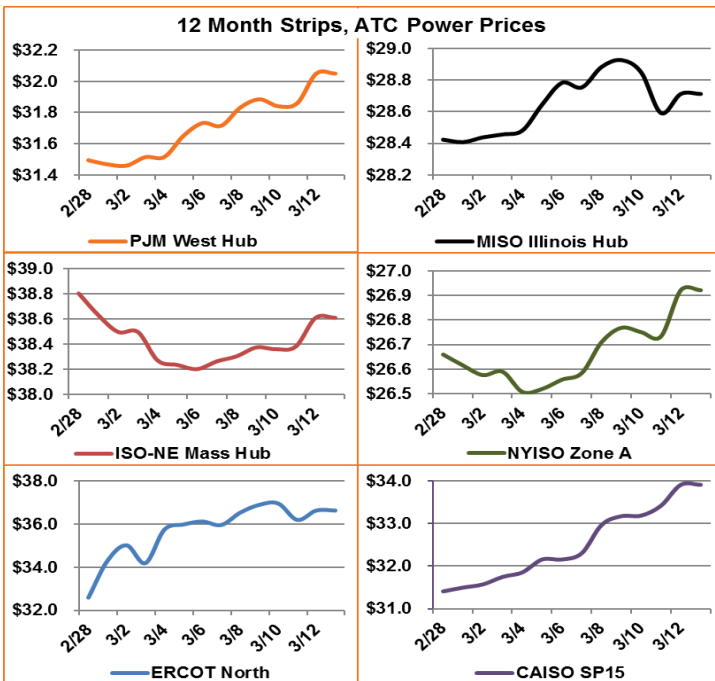


**Next Day On-Peak Power (traded for 3/13/2018)**

<b>ISO-NE Mass Hub</b> \$41.28	<b>MISO Indiana Hub</b> \$33.63	<b>NYISO Zone G</b> \$33.38
<b>PJM West Hub</b> \$53.82	<b>ERCOT North</b> \$30.42	<b>CAISO SP15</b> \$42.11
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Apr-18	2.778	0.046
May-18	2.800	0.041
12 Month	2.938	0.036
Cal 19	2.829	0.019
Cal 20	2.753	0.004

**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>	1,625	1,682	2,305	1,925
<b>Diff v. Current</b>		-57	-680	-300
<b>% Diff</b>			-29.5%	-15.6%



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