

Early Morning Update:

The Apr17 natural gas contract is trading down \$0.01 to \$3.03.
The Apr17 crude contract is down \$0.80 at \$47.60.

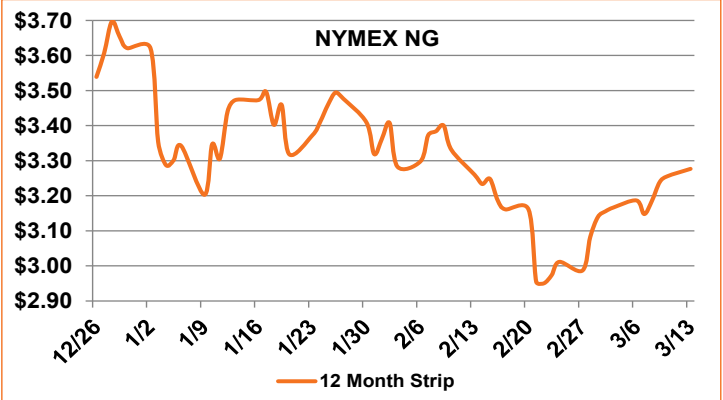
Summary: The April natural gas contract rose 3.5 cents on Monday to a one-month high of \$3.043/MMBtu on concerns over the winter storm forecasted for the central U.S. and the Northeast. The prompt month has risen in 12 of the past 14 sessions, powered by the first extended period of normal winter weather since December. Future strips past 2017 barely budged, with calendar strips 2018 through 2022 moving less than a cent, and 2023 falling to a fresh all-time low. Stronger-than-average residential and commercial demand is expected to accompany this nor'easter, and the colder weather looks like it will extend into the 6 - 14 day forecast. The late season swell in demand will likely fuel a larger withdrawal from storage for the weeks ending March 10th and 17th, altering the end of withdrawal season storage landscape to the downside again. Production has seen little to no significant movement from 70-71 Bcf/day this winter, so end of season estimates continue to fluctuate with demand, now seeming to hover just below 2.0 Tcf.

Bullish Factors

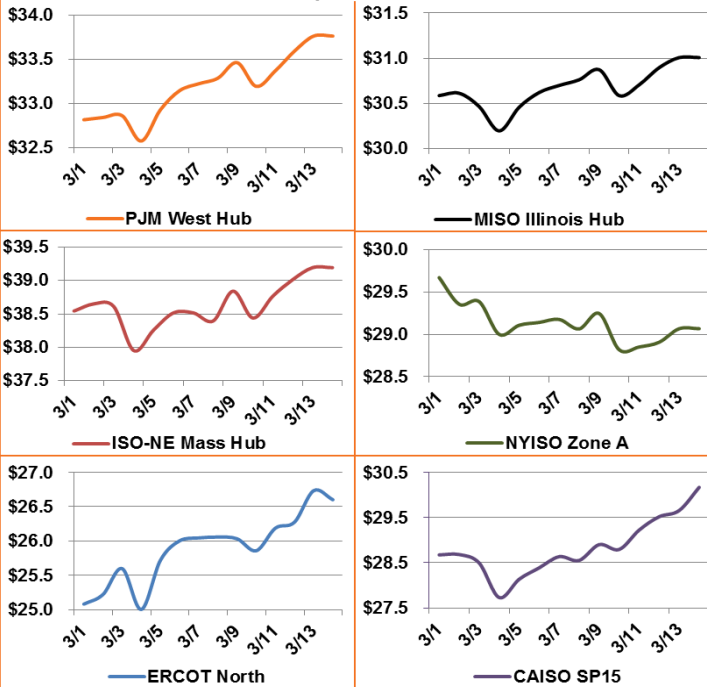
- Stagnant production
- Exports to Mexico at record high
- Growing LNG exports

Bearish Factors

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



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 3/14/2017)

ISO-NE Mass Hub \$67.55	MISO Indiana Hub \$38.18	NYISO Zone G \$70.00
PJM West Hub \$50.87	ERCOT North \$24.19	CAISO SP15 \$31.24
NYMEX NG	Close	Change
Apr-17	3.043	0.035
May-17	3.107	0.033
12 Month	3.277	0.021
Bal 17	3.222	0.026
Cal 18	3.039	0.004

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%

