

Early Morning Update:

The Apr17 natural gas contract is trading up \$0.06 to \$3.00. The Apr17 crude contract is up \$0.78 at \$48.50.

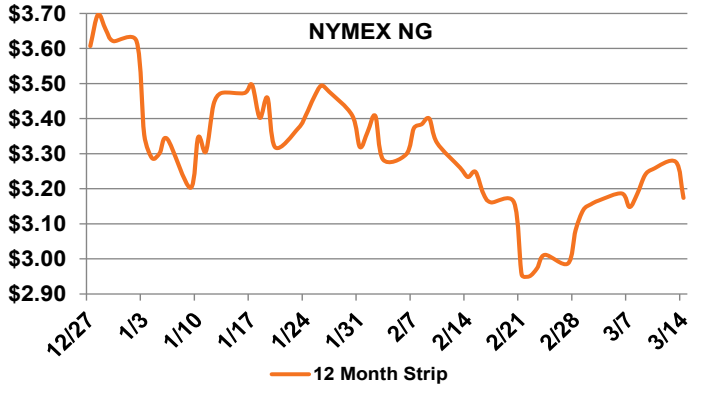
Summary: After breaking through the \$3.00 resistance level late last week, the NYMEX April gas prompt month could not hold onto its gains and settled at \$2.938/MMBtu yesterday, down 10.5 cents for the day. Calendars 2018-2019 lost about five cents yesterday, while calendars 2020-2023 were mostly unchanged. Despite slight cooler revisions to the National Weather Service's 6-10 and 8-14 day outlooks for the East and West coasts, the near-term cold temperatures, causing demand to spike back to levels not seen since February 9, 2017, are too little, too late considering this winter will likely go down in history as one of the warmest on record.

Bullish Factors

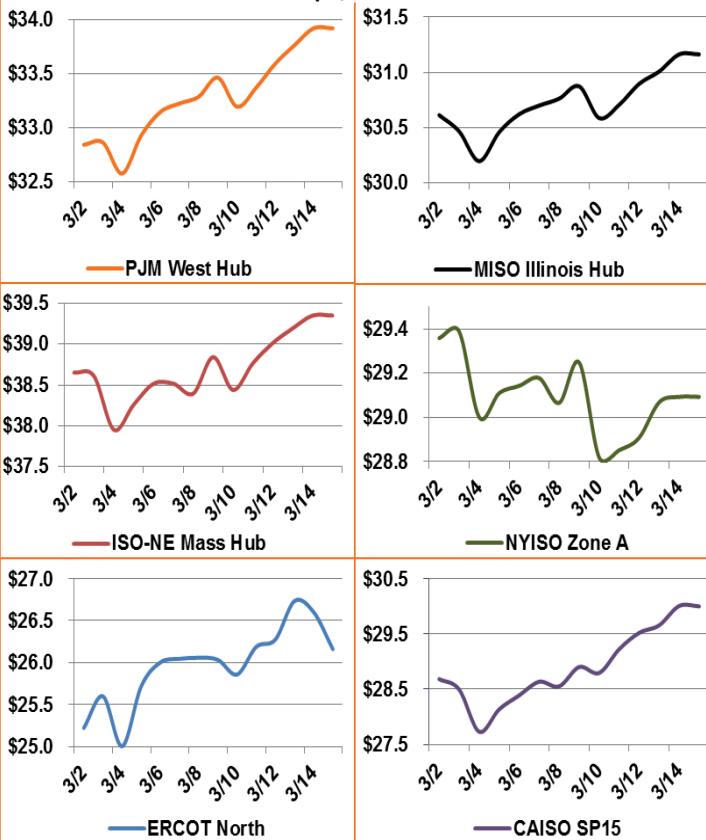
- Stagnant production
- Exports to Mexico at record high
- Growing LNG exports

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 3/15/2017)

ISO-NE Mass Hub \$64.84	MISO Indiana Hub \$42.00	NYISO Zone G \$70.96
PJM West Hub \$57.19	ERCOT North \$23.50	CAISO SP15 \$32.48
NYMEX NG		Close
Apr-17		2.938
May-17		2.993
12 Month		3.174
Bal 17		3.115
Cal 18		2.984
		Change
Apr-17		-0.105
May-17		-0.114
12 Month		-0.103
Bal 17		-0.107
Cal 18		-0.055

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%

