

**Early Morning Update:**

The Apr17 natural gas contract is trading down \$0.03 to \$2.91.  
The Apr17 crude contract is down \$0.73 at \$48.05.

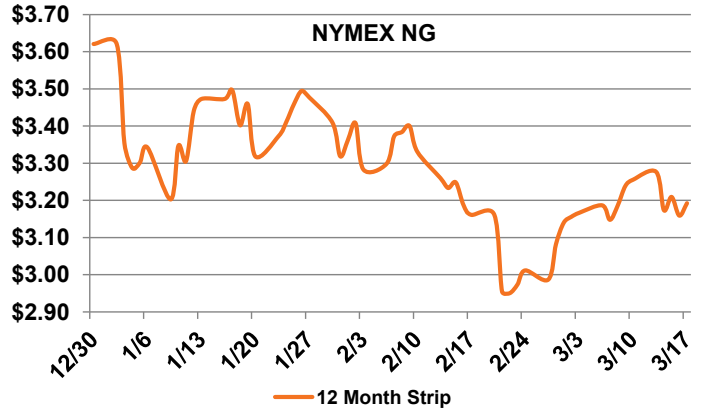
**Summary:** Production continued to struggle over the weekend at levels below 71bcf/d, about a 3bcf/d deficit from last year. Climbing temperatures over the weekend led total demand in the Midwest and Northeast load zones to fall about 1.1 bcf/d, yet most longer term gas prices are up slightly on the day. Summer '17 and Winter '17-'18 experienced the biggest leaps, each up about 4cents from yesterday. NYMEX Calendar strips '18 - '20 are flat from 3/17, and their correlation to the prompt month's recent volatility appears to have dwindled. The April contract opened down 3cents from Friday's close at \$2.91, down about 13cents from last Monday's \$3.04 close. CAISO, ERCOT, MISO, and PJM WEST calendar strips '19 - '21 are still hovering near all-time lows. NYISO and NEPOOL prices of the same term are within the 15%-20% range above lows set late last year and earlier this year.

**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 3/20/2017)**

<b>ISO-NE Mass Hub</b> \$38.93	<b>MISO Indiana Hub</b> \$30.00	<b>NYISO Zone G</b> \$52.05
<b>PJM West Hub</b> \$32.11	<b>ERCOT North</b> \$22.75	<b>CAISO SP15</b> \$29.04
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Apr-17	2.948	0.046
May-17	3.004	0.037
12 Month	3.192	0.033
Bal 17	3.132	0.035
Cal 18	2.992	0.011

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	2,242	2,295	2,478	1,847
<b>Diff v. Current</b>		-53	-236	395
<b>% Diff</b>			-9.5%	21.4%

