

Early Morning Update:

The Apr18 natural gas contract is trading up \$0.01 at \$2.66. The Apr18 crude contract is up \$1.14 at \$63.20.

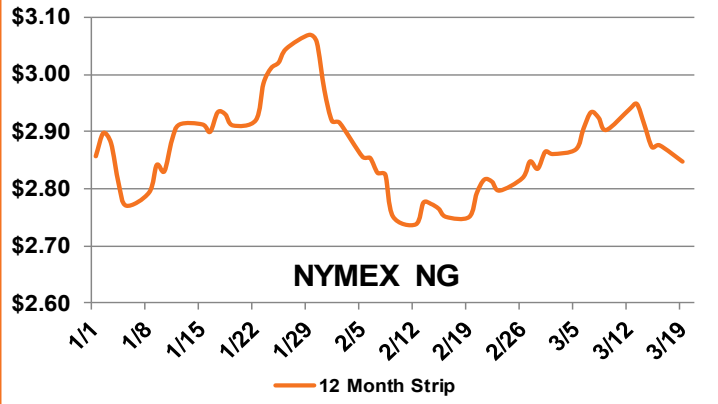
Summary: The April 2018 natural gas contract lost 3.7 cents on Monday to finish at \$2.651, the third day in a row to see prompt month settles below \$2.70. The 12-month strip lost nearly three cents to \$2.85, 2019 lost a cent to \$2.80, and 2020 lost less than a cent to settle at \$2.76. Weather forecasts in the six-to-twenty day time frame are looking to take a warmer turn, as normal to slightly above-normal temperatures return to the South, Southeast and West Coast. In the meantime, however, the East Coast is taking a colder turn as another Nor'easter moves in on major cities yet again. On the supply side, U.S. production brought in another all-time high over the weekend, reporting over 78.3 Bcf/d on March 18th. This was largely due to an increase in Southeast production, which has accounted for the majority of production gains occurring in the last month. With production continuing to gain steam and weather demand likely petering off in the next few weeks, we may see the supply-demand balance flip and the injection season start right on time.

Bullish Factors

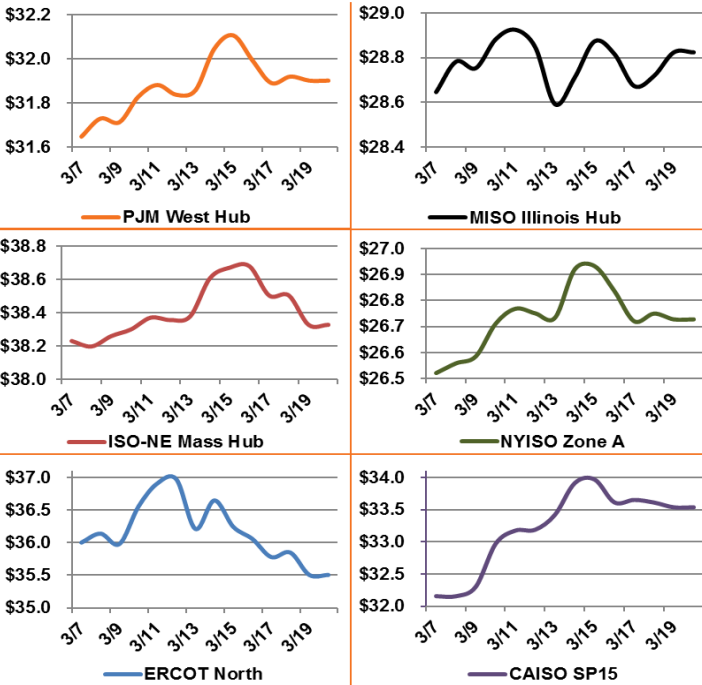
- Low expected storage levels
- LNG exports ramping up
- Exports to Mexico at all-time high

Bearish Factors

- NG production at record levels
- Growing renewable energy generation



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 3/20/2018)

| | | |
|----------------------------|-----------------------------|-------------------------|
| ISO-NE Mass Hub \$54.52 | MISO Indiana Hub \$26.50 | NYISO Zone G \$32.50 |
| PJM West Hub \$49.52 | ERCOT North \$26.50 | CAISO SP15 \$40.55 |
| NYMEX NG | Close | Change |
| Apr-18 | 2.651 | -0.037 |
| May-18 | 2.678 | -0.038 |
| 12 Month | 2.847 | -0.028 |
| Cal 19 | 2.798 | -0.012 |
| Cal 20 | 2.755 | -0.008 |

EIA Natural Gas Storage

| | | | | |
|-----------------------------------|------------------|------------------|------------------|--------------------|
| EIA Reported Storage (Bcf) | This Week | Last Week | Last Year | 5-Year Avg. |
| Total | 1,532 | 1,625 | 2,250 | 1,828 |
| Diff v. Current | | -93 | -718 | -296 |
| % Diff | | | -31.9% | -16.2% |

