

**Early Morning Update:**

The Apr17 natural gas contract is trading down \$0.03 to \$3.06.  
The May17 crude contract is down \$0.59 at \$47.65.

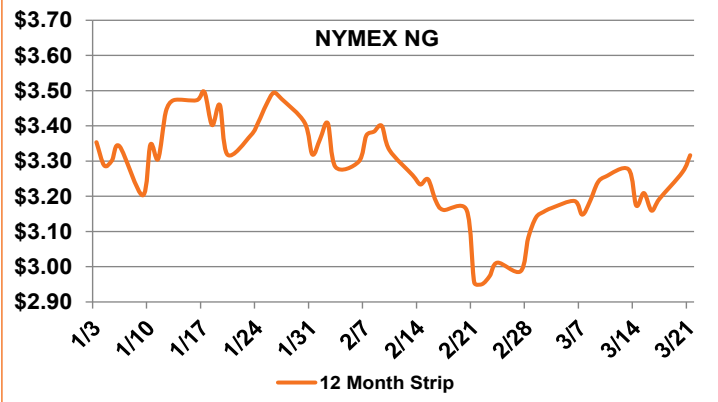
**Summary:** The April 2017 natural gas contract gained another 5.2 cents yesterday to settle at \$3.093/MMBtu. Yesterday marked the third consecutive trading day of gains, causing the prompt month to increase by 19 cents since last Friday, and now back to price levels not seen since early February. With warmer temperatures on the horizon that are expected to relinquish the Northeast of the recent cold snap, most analysts have attributed the anticipated triple-digit storage report to the rally. Many believe traders are attempting to cover positions before the report's release (Thursday at 10:30 am). The expected large withdrawal in late March is mostly due to increased demand from cold temperatures and a year-over-year production deficit.

**Bullish Factors**

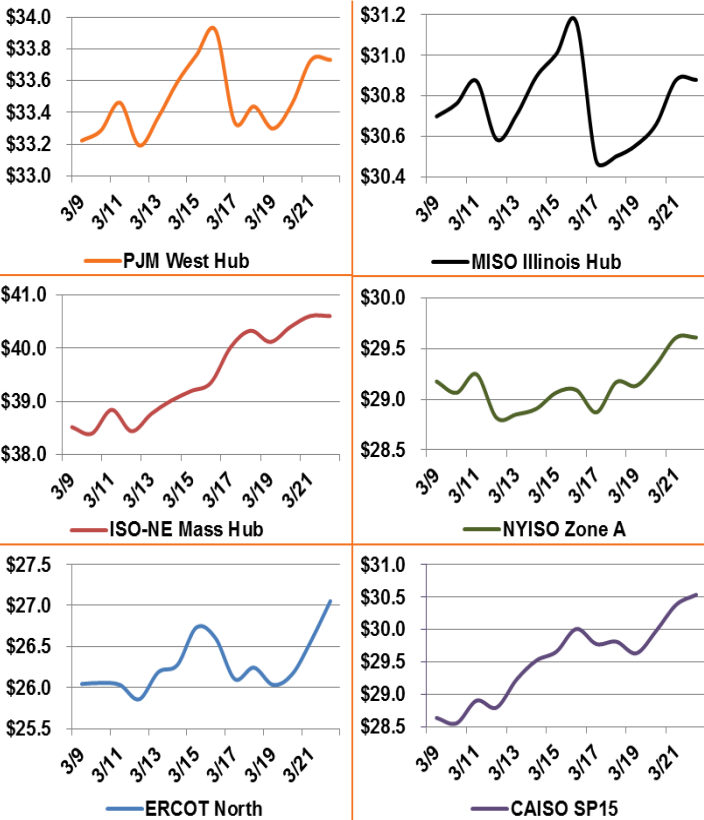
- Stagnant production
- Exports to Mexico at record high
- Growing LNG exports

**Bearish Factors**

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



**12 Month Strips, ATC Power Prices**

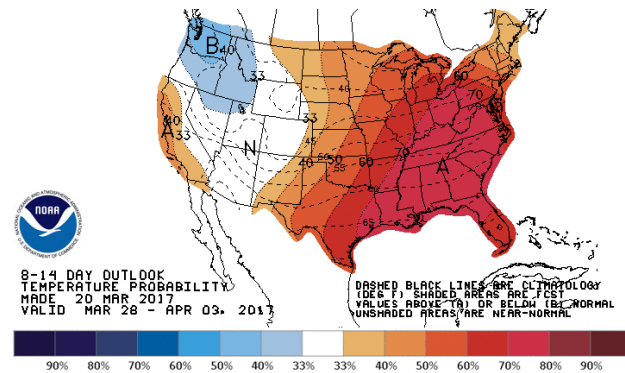
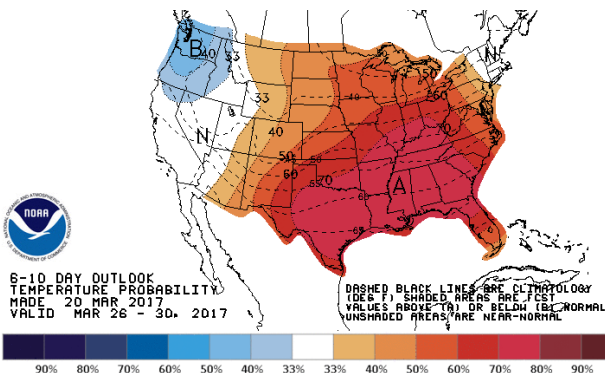


**Next Day On-Peak Power (traded for 3/22/2017)**

|                                   |                                    |                                |
|-----------------------------------|------------------------------------|--------------------------------|
| <b>ISO-NE Mass Hub</b><br>\$49.18 | <b>MISO Indiana Hub</b><br>\$34.29 | <b>NYISO Zone G</b><br>\$43.00 |
| <b>PJM West Hub</b><br>\$32.70    | <b>ERCOT North</b><br>\$30.00      | <b>CAISO SP15</b><br>\$30.05   |
| <b>NYMEX NG</b>                   | <b>Close</b>                       | <b>Change</b>                  |
| <b>Apr-17</b>                     | 3.093                              | 0.052                          |
| <b>May-17</b>                     | 3.155                              | 0.057                          |
| <b>12 Month</b>                   | 3.317                              | 0.048                          |
| <b>Bal 17</b>                     | 3.266                              | 0.050                          |
| <b>Cal 18</b>                     | 3.044                              | 0.022                          |

**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>                      | 2,242            | 2,295            | 2,478            | 1,847              |
| <b>Diff v. Current</b>            |                  | -53              | -236             | 395                |
| <b>% Diff</b>                     |                  |                  | -9.5%            | 21.4%              |



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