

**Early Morning Update:**

The Apr18 natural gas contract is trading up \$0.02 at \$2.61. The May18 crude contract is down \$0.28 at \$65.60.

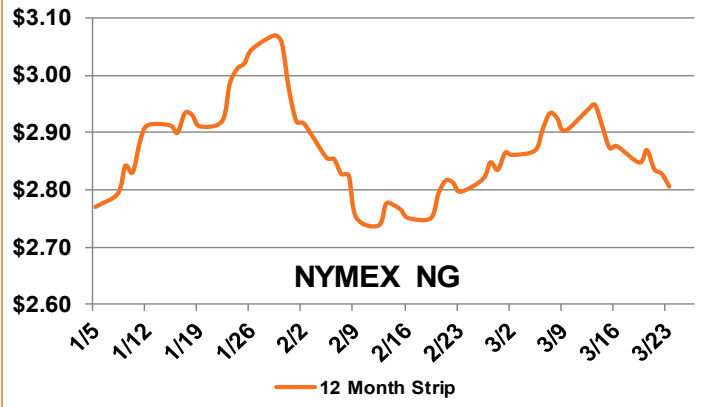
**Summary:** On Friday, the NYMEX natural gas futures price for April fell 2.6 cents on the day to settle at \$2.591/MMBtu. The prompt month dropped about 10 cents, overall, versus the previous week. Despite a slight warm-up this week, colder-than-normal temperatures look like they will linger until the second week of April before most of the country will return to normal temperatures, with some warmer-than normal temperatures in the Southwest, Texas, and the Gulf states. Bearish fundamentals for the beginning of the shoulder month, such as diminished demand and strong production levels, have added downward pressure to short-term pricing. There is a possibility that if the market doesn't see any bullish fundamental support, April could settle below the settle price for March, which has not occurred since 2015. Next week, total U.S. demand for natural gas is anticipated to plummet down to around 75 Bcf/d. Production remains at a healthy level, averaging about 78 Bcf/d, with U.S. oil and gas rig counts at a three-year high, as Baker Hughes reported a jump of five gas rigs for the week ending March 23.

**Bullish Factors**

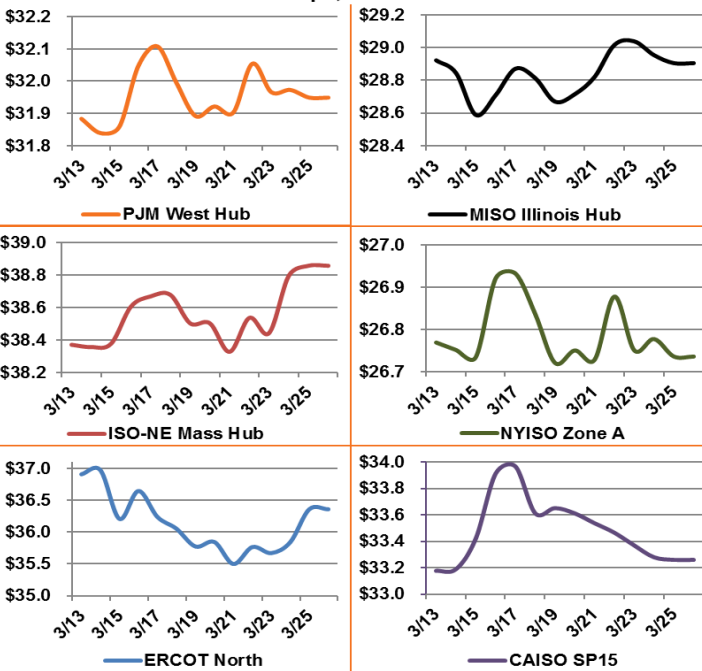
- Low expected storage levels
- LNG exports ramping up
- Exports to Mexico at all-time high

**Bearish Factors**

- NG production at record levels
- Growing renewable energy generation
- Increasing normal temperatures



**12 Month Strips, ATC Power Prices**



**Next Day On-Peak Power (traded for 3/26/2018)**

ISO-NE Mass Hub \$37.18	MISO Indiana Hub \$31.17	NYISO Zone G \$29.30
PJM West Hub \$35.43	ERCOT North \$29.05	CAISO SP15 \$21.93
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Apr-18	2.591	-0.026
May-18	2.633	-0.023
12 Month	2.806	-0.022
Cal 19	2.759	-0.019
Cal 20	2.745	-0.005

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,446	1,532	2,113	1,775
Diff v. Current		-86	-667	-329
% Diff			-31.6%	-18.5%

