

Early Morning Update:

The May18 natural gas contract is trading down \$0.01 at \$2.70. The May18 crude contract is down \$0.75 at \$64.50.

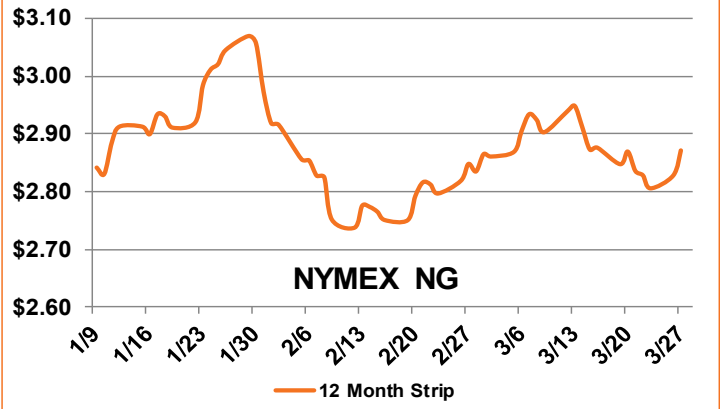
Summary: On its last day of trading, the April NG contract expired at \$2.691/MMBtu, 7.3 cents higher on the day. Yesterday made 17 out of the past 18 times the prompt month contract increased on expiration day. The November 2017 contract was the only outlier, falling 13.8 cents on its final day of trading. Lingering heating demand and higher demand from power generation provided slight support yesterday. However, warmer temperatures are expected to carry through the weekend, weakening heating-related demand for the next few days. NG supply remains strong and steady, with production at ~78 Bcf/d. 2019-2022 calendar strip prices increased two cents, on average, yesterday, settling at \$2.79, \$2.77, \$2.81, and \$2.86 respectively. The Department Of Energy released a study yesterday on future coal and nuclear generation retirements, which analyzed ISO New England, NYISO, PJM, MISO, Southwest Power Pool, and ERCOT during historical high demand periods, and said that additional coal and nuclear retirements could result in future grid instability. If coal and nuclear generators are kept online, there could be less demand on natural gas for electricity generation.

Bullish Factors

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

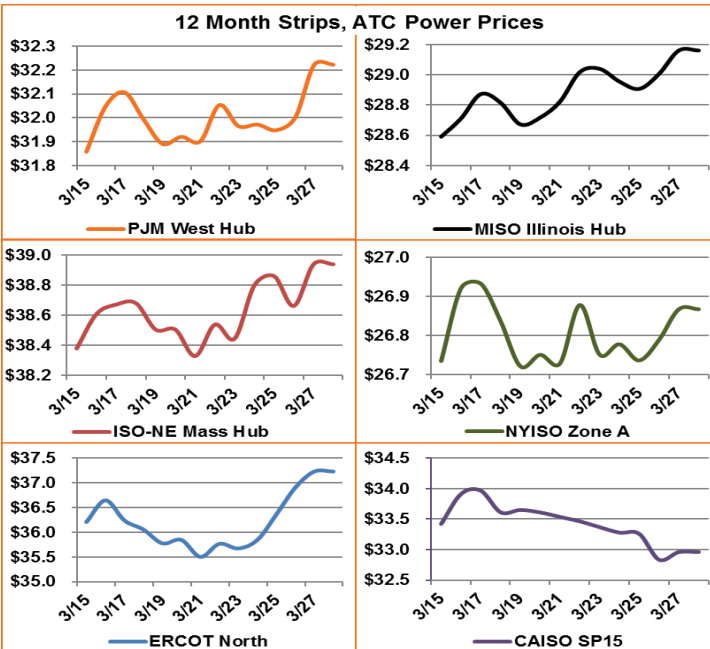
Bearish Factors

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



Next Day On-Peak Power (traded for 3/28/2018)

ISO-NE Mass Hub \$28.19	MISO Indiana Hub \$30.11	NYISO Zone G \$28.12
PJM West Hub \$32.10	ERCOT North \$30.50	CAISO SP15 \$23.40
NYMEX NG	Close	Change
Apr-18	2.691	0.073
May-18	2.714	0.057
12 Month	2.871	0.043
Cal 19	2.791	0.023
Cal 20	2.771	0.020



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%

