

Early Morning Update:

The May18 natural gas contract is trading flat to Thursday's close at \$2.73. The May18 crude contract is down \$0.54 at \$64.40.

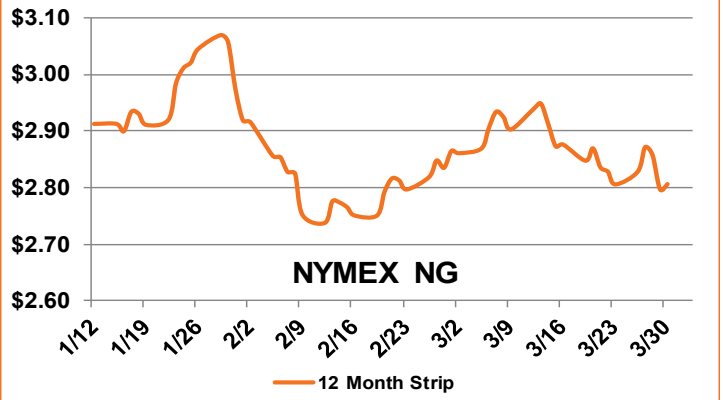
Summary: On Thursday, the NYMEX natural gas futures price for May crept 3.5 cents higher on the day to settle at \$2.733/MMBtu. Throughout the day, the prompt month was rangebound between \$2.698 and \$2.764, and is still depressed in comparison to where May 2017 settled at \$3.142. April has begun with another blast of cold enveloping the Northeast, triggering some late season heating demand for natural gas. The 1-5 and 6-10 day weather forecasts for the shoulder month have taken a turn to colder-than-normal temperatures for the majority of the eastern and central portions of the country. The EIA reported a storage withdrawal for the week ending March 23rd of 63 Bcf, just shy of the 71 Bcf market consensus. Total U.S. demand for natural gas is anticipated to average 71 Bcf/d over the next week, which is much lower than demand levels in March. U.S. production remains healthy, averaging around 78 Bcf/d. Even though expectations are for a 7% increase in production levels this summer, there is still some concern in the market regarding the upcoming refill season, and whether this growth in production will be enough to replenish storage before next winter.

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 3/30/18)

ISO-NE Mass Hub \$24.74	MISO Indiana Hub \$30.29 4/2/18	NYISO Zone G \$32.45 4/2/18
PJM West Hub \$27.15	ERCOT North \$26.50	CAISO SP15 \$23.50
NYMEX NG	Close	Change
May-18	2.733	0.035
Jun-18	2.778	0.027
12 Month	2.879	0.022
Cal 19	2.792	0.007
Cal 20	2.775	0.010

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,383	1,446	2,055	1,729
Diff v. Current		-63	-672	-346
% Diff			-32.7%	-20.0%

