

**Early Morning Update:**

The May18 natural gas contract is trading up \$0.02 at \$2.72. The May18 crude contract is down \$1.36 at \$62.15.

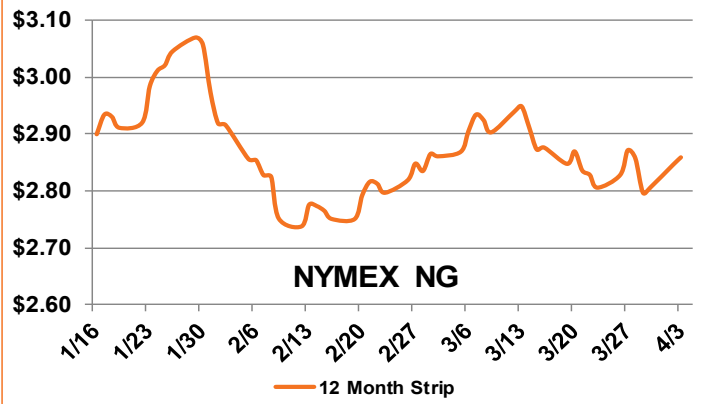
**Summary:** With little change to market fundamentals, the NYMEX May 2018 natural gas contract increased a modest 1.4 cents yesterday to settle at \$2.697/MMBtu. U.S. dry natural gas production remains high at ~78 Bcf/d, and expectations call for growth to 80 Bcf/d in 2018. Although lingering heating demand due to below-average temperatures in the Midwest and Northeast allows for higher residential and commercial demand year-over-year, the market does not seem to be as concerned with temperatures as we are technically in the shoulder season. The next weather risk is anticipated to be the upcoming summer. Summer outlooks from vendors should begin popping up in the market later this month. Until then, we may see continued relative quiet in the marketplace.

**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 4/4/2018)**

ISO-NE Mass Hub \$56.85	MISO Indiana Hub \$34.00	NYISO Zone G \$29.83
PJM West Hub \$33.77	ERCOT North \$24.92	CAISO SP15 \$30.00
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Apr-18	2.697	0.014
May-18	2.745	0.013
12 Month	2.859	0.013
Cal 19	2.804	0.012
Cal 20	2.779	0.001

**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%

