

Early Morning Update:

The May18 natural gas contract is trading down \$0.03 at \$2.66. The May18 crude contract is up \$1.18 at \$64.60.

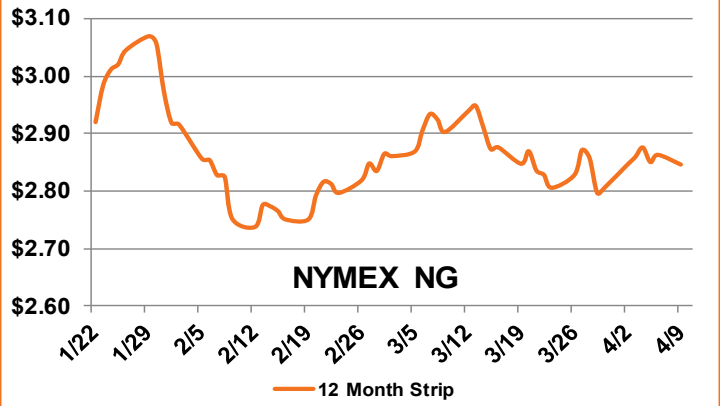
Summary: Natural gas stayed nearly flat as fundamentals show softening demand and robust supply heading into the heart of April. The May prompt month lost 0.8 cents to \$2.693/MMBtu, the 12-month strip lost nearly 2 cents to \$2.845, and 2019 and 2020 each moved less than a cent to settle at \$2.789 and \$2.762, respectively. While there will still be some immediate cold present, temperatures will pop above normal in the eastern half of the country toward the end of this week before taking a colder turn again. The forecasts for major demand centers in the Northeast and Midwest look to normalize after next week, as more spring-like weather rolls into most of the country. Production is not expected to slack off during this period, averaging close to 78.4 Bcf/d over the next two weeks after hitting a new all-time high of 78.9 Bcf/d yesterday. Demand is expected to take a dive, as heating demand drops about 25% over the next two weeks and overall demand looks to lose 15%.

Bullish Factors

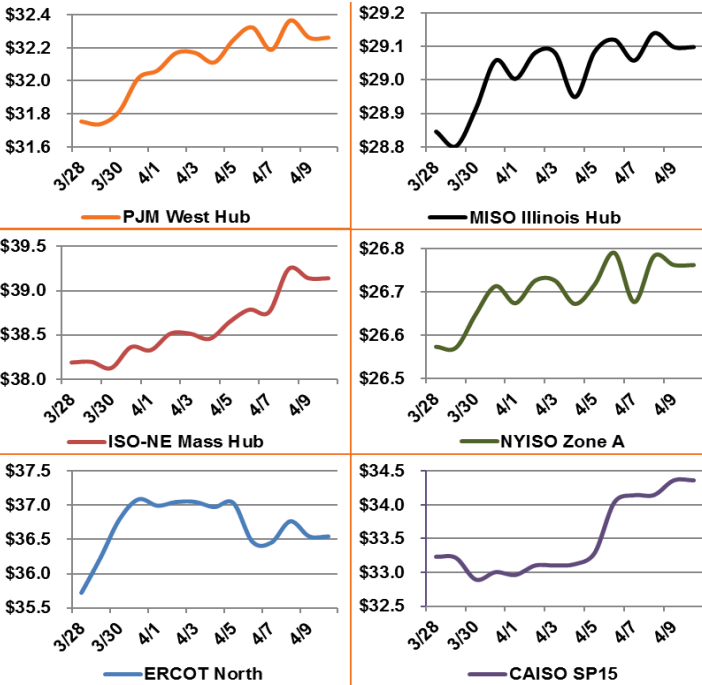
- Lingering cold weather
- LNG exports ramping up
- Exports to Mexico at all-time high

Bearish Factors

- NG production at record levels
- Growing renewable energy generation



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 4/10/2018)

ISO-NE Mass Hub \$70.56	MISO Indiana Hub \$42.37	NYISO Zone G \$43.39
PJM West Hub \$40.77	ERCOT North \$30.50	CAISO SP15 \$41.13
NYMEX NG	Close	Change
Apr-18	2.693	-0.008
May-18	2.731	-0.016
12 Month	2.846	-0.017
Cal 19	2.789	-0.002
Cal 20	2.762	0.002

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,354	1,383	2,051	1,701
Diff v. Current		-29	-697	-347
% Diff			-34.0%	-20.4%

