

Early Morning Update:

The May18 natural gas contract is trading up \$0.01 at \$2.70. The May18 crude contract is up \$0.11 at \$67.18.

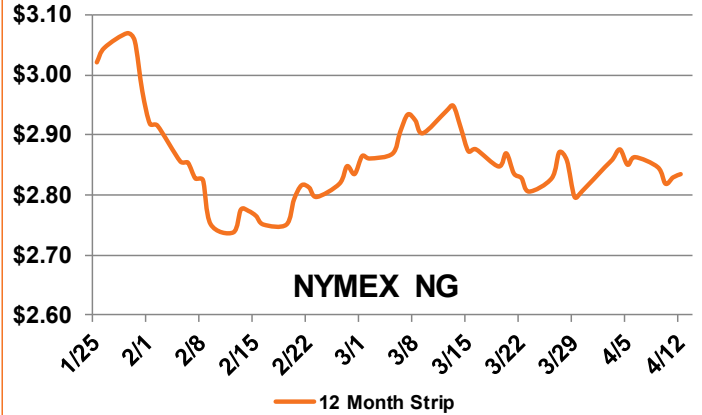
Summary: Another very quiet day on the NYMEX with the prompt month settling higher by \$.011 to close at \$2.686. Long-term prices didn't see much movement either as the calcs barely moved. The EIA reported a draw from storage of 19 bcf, in-line with expectations but that there was a draw at all is a testament to the strength of this ongoing cold. We're even expecting a small draw next week before injections (finally) begin. The cold since March has been strong enough to cause enough significantly higher heating related demand compared to a year ago, currently 8.3 bcf/d higher. That's enough to offset the sharply higher Y-o-Y NG production. Once warmer weather arrives (maybe, hopefully, please...?) demand should slacken and the strong production should lead to good injections into storage.

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



Next Day On-Peak Power (traded for 4/13/2018)

ISO-NE Mass Hub \$29.97	MISO Indiana Hub \$36.00	NYISO Zone G \$32.86
PJM West Hub \$30.31	ERCOT North \$27.90	CAISO SP15 \$26.07
NYMEX NG	Close	Change
Apr-18	2.686	0.011
May-18	2.717	0.008
12 Month	2.835	0.005
Cal 19	2.796	0.009
Cal 20	2.781	0.010

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,335	1,354	2,058	1,711
Diff v. Current		-19	-723	-376
% Diff			-35.1%	-22.0%

