

Early Morning Update:

The May18 natural gas contract is trading up \$0.03 at \$2.77. The May18 crude contract is down \$0.69 at \$66.70.

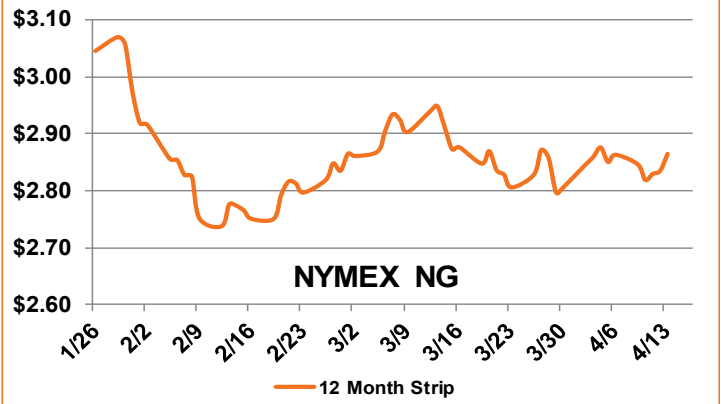
Summary: After hitting an all-time high of 78.9 Bcf/d last Monday, dry natural gas production has been flailing this past week, and is projected to be 77.0 Bcf/d today. Most of the decline is in the Northeast, due to restrictions on the Transco pipeline. After averaging 78.2 Bcf/d so far this month, the next seven days are expected to average only 77.5 Bcf/d. On Friday, the May18 natural gas contract climbed 4.9 cents to settle at 2.735/MMBtu, amidst an extended storage withdrawal season, and in the face of lingering cold weather, increased demand in the Res/Com sector, and a dip in production. Demand is expected to peak tomorrow and then taper off throughout the rest of this week. Total gas demand for today is projected to be 85.4 Bcf/d, the highest demand ever recorded for this date. The National Weather Service is forecasting colder-than-normal temperatures for most of the country east of the Rockies over the next 6-10 days, before temperatures gradually rise to almost normal next week.

Bullish Factors

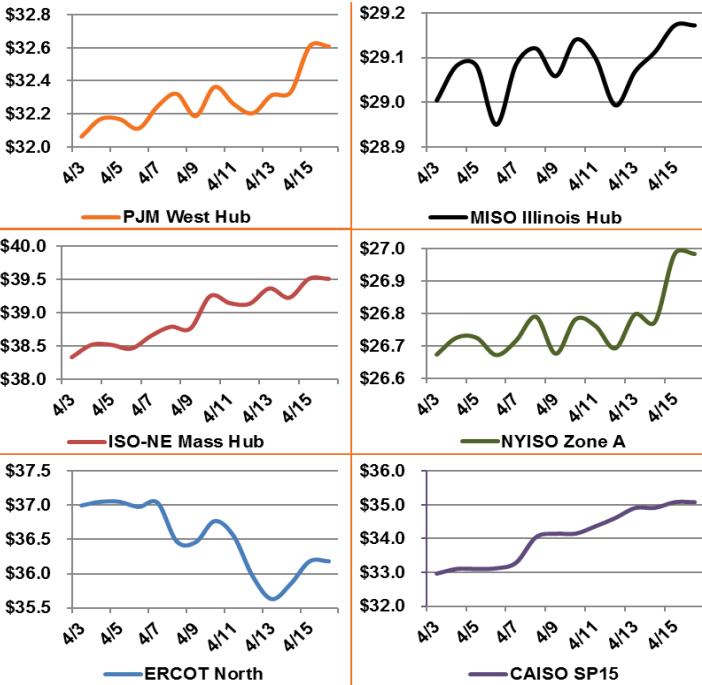
- Lingering cold weather
- LNG exports ramping up
- Exports to Mexico at all-time high

Bearish Factors

- NG production at record levels
- Growing renewable energy generation



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 4/16/2018)

ISO-NE Mass Hub \$44.32	MISO Indiana Hub \$40.00	NYISO Zone G \$44.32
PJM West Hub \$41.13	ERCOT North \$25.67	CAISO SP15 \$28.75
NYMEX NG	Close	Change
Apr-18	2.735	0.049
May-18	2.764	0.047
12 Month	2.864	0.030
Cal 19	2.793	-0.002
Cal 20	2.768	-0.013

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,335	1,354	2,060	1,710
Diff v. Current		-19	-725	-375
% Diff			-35.2%	-21.9%

