

Early Morning Update:

The May18 natural gas contract is trading down \$0.01 at \$2.74. The May18 crude contract is down \$0.37 at \$65.85.

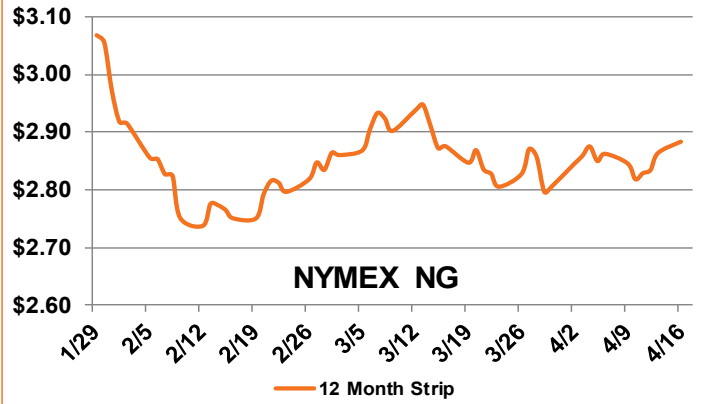
Summary: As cold weather firmly embraces the eastern half of the country once again, demand for natural gas rose 2.4 Bcf/d from Monday to 86.5 Bcf/d, almost entirely due to a 2.9 Bcf/d increase in Res/Comm demand. The increased demand for gas has renewed concerns that storage levels, already almost 22% in deficit to the five-year average, could sink lower before rebuilding begins. The market is currently estimating a 33 Bcf pull from storage to be reported by the U.S. Energy Information Administration this week, which is a complete reversal from the 38 Bcf injection normally seen for this time of year. Dry production has remained relatively stable, but imports from Canada were down 0.5 Bcf/d day-over-day. All of this has provided plenty of support for May natural gas prices, which rose 1.7 cents to settle at \$2.752/MMBtu yesterday. However, the market is anticipating most of this to change in the coming weeks as temperatures warm, demand tempers, and a rising rig count indicates increased production.

Bullish Factors

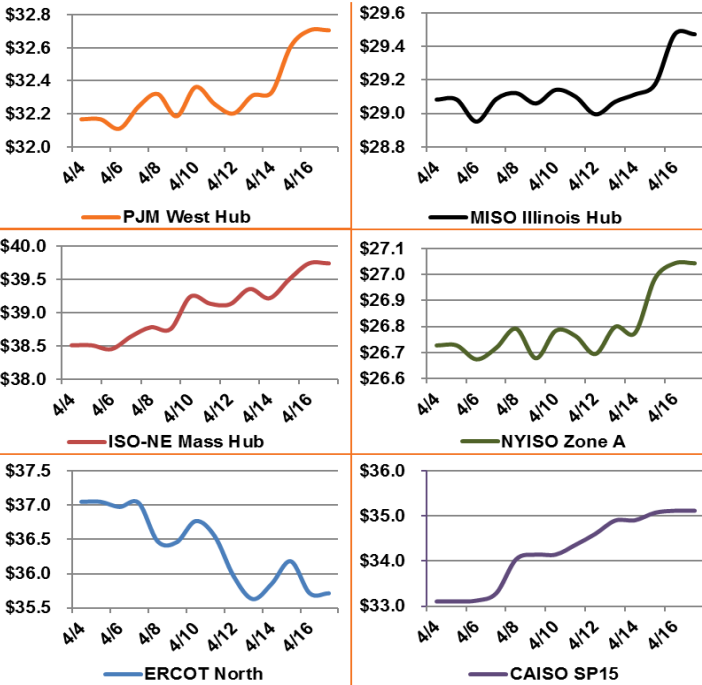
- Lingering cold weather
- LNG exports ramping up
- Exports to Mexico at all-time high

Bearish Factors

- NG production at record levels
- Growing renewable energy generation



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 4/17/2018)

ISO-NE Mass Hub \$61.51	MISO Indiana Hub \$41.48	NYISO Zone G \$48.27
PJM West Hub \$49.82	ERCOT North \$28.00	CAISO SP15 \$33.52
NYMEX NG	Close	Change
Apr-18	2.752	0.017
May-18	2.784	0.020
12 Month	2.884	0.019
Cal 19	2.802	0.009
Cal 20	2.777	0.009

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%

