

**Early Morning Update:**

The May18 natural gas contract is trading down \$0.01 at \$2.77. The Jun18 crude contract is up \$0.10 at \$67.80.

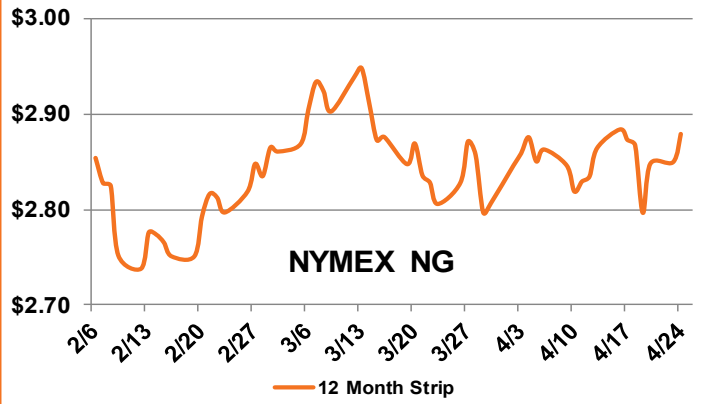
**Summary:** Nearing expiration, the NYMEX prompt month gained 4.1 cents yesterday to settle at \$2.781/MMBtu. Most analysts attributed yesterday's gains to position covering as the May 2018 NG contract is set to expire tomorrow, April 26. Weather outlooks have finally shifted, alleviating the pattern of below-normal temperatures felt along the East Coast during most of the 2018 Spring shoulder season. In the National Weather Service's 6-10 day outlook, warm temperatures should encompass the Northeast, Midwest, and Texas, while the Rockies and Southwestern U.S. are predicted to see below-normal temperatures. The 8-14 day outlook depicts warmer temperatures along both the East and West Coasts, with the central U.S. below normal. These outlooks should help progress injection season, as long as it does not get too hot too early. Shifting focus to longer-term, 2019-2022 calendar strips set 2018 settlement lows, between \$2.7151 and 2.806 during the past week. The Freeport LNG export facility, expected to begin exporting this year, announced they will be delayed until September 2019. This news comes after Cove Point LNG facility experienced a delay from late 2017 to April 2018. News of LNG export uncertainty could put downward pressure on longer-term prices, as the market is fairly confident in natural gas production growth.

**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 4/25/2018)**

<b>ISO-NE Mass Hub</b> \$29.88	<b>MISO Indiana Hub</b> \$33.13	<b>NYISO Zone G</b> \$31.20
<b>PJM West Hub</b> \$38.00	<b>ERCOT North</b> \$27.56	<b>CAISO SP15</b> \$36.65
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
<b>Apr-18</b>	2.781	0.041
<b>May-18</b>	2.813	0.038
<b>12 Month</b>	2.879	0.029
<b>Cal 19</b>	2.748	0.017
<b>Cal 20</b>	2.712	0.005

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	1,299	1,335	2,107	1,748
<b>Diff v. Current</b>		-36	-808	-449
<b>% Diff</b>			-38.3%	-25.7%

