

Early Morning Update:

The June18 natural gas contract is down \$.03 at \$2.80. The Jun18 crude contract is down \$0.31 at \$67.88.

Summary: The market ticked higher yesterday after the EIA reported a surprisingly large withdrawal from storage. Lingered cold temperatures kept demand high, even out-pacing the high NG production. The 'good' news is that weather is moderating and demand looks set to fall. NG production has been hovering near 78 Bcf/d and now that heating-related demand will be lower, hopefully storage will start to refill at a fast clip.

On the power side, prices in the eastern markets continue to move higher, albeit slowly. Texas prices have stabilized a bit and California remains volatile due to infrastructure issues and the potential for heat and drought this summer.

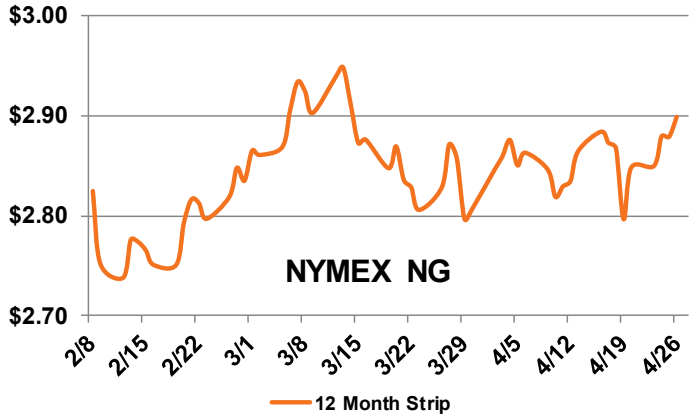
The May NG contract expired yesterday with pricing finishing up \$.035 to expire at \$2.821

Bullish Factors

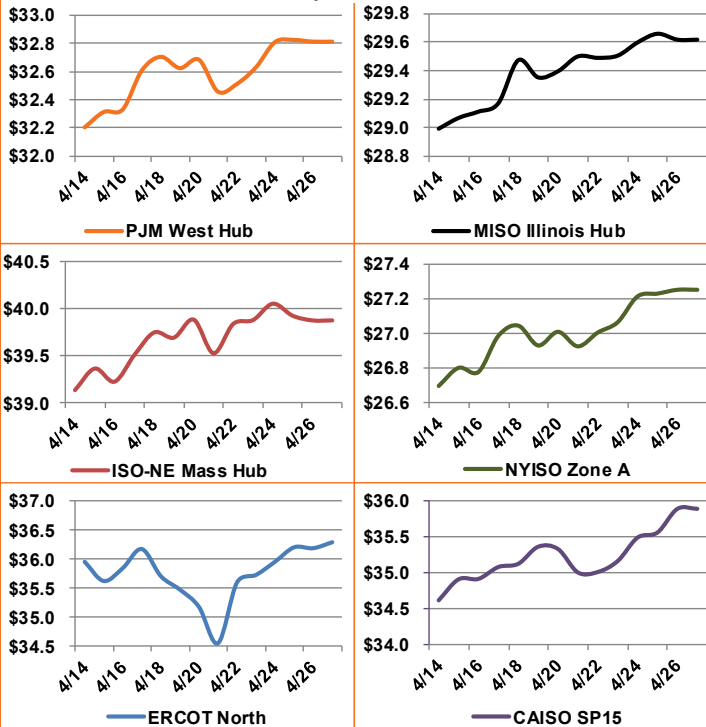
- Lingered cold weather
- LNG exports ramping up
- Exports to Mexico at all-time high

Bearish Factors

- NG production at record levels
- Growing renewable energy generation



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 4/27/2018)

ISO-NE Mass Hub \$26.82	MISO Indiana Hub \$30.57	NYISO Zone G \$29.28
PJM West Hub \$36.57	ERCOT North \$29.73	CAISO SP15 \$19.97
NYMEX NG	Close	Change
May-18	2.821	0.035
June-18	2.839	0.032
12 Month	2.899	0.020
Cal 19	2.756	0.001
Cal 20	2.708	-0.007

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,281	1,299	2,178	1,808
Diff v. Current		-18	-897	-527
% Diff			-41.2%	-29.1%

