

**Early Morning Update:**

The Jun17 natural gas contract is trading down \$0.06 at \$3.20.  
The Jun17 crude contract is down \$0.32 at \$45.90.

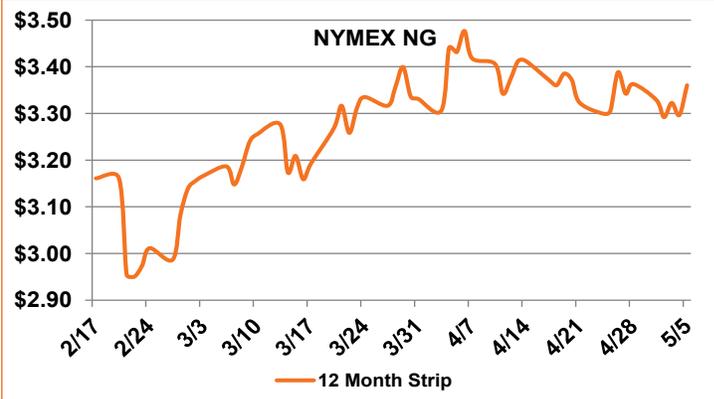
**Summary:** So far, the market has seen bullish and bearish fundamentals that have caused prices to fluctuate more than normal for this time of the year. After losing 4.2 cents to close at \$3.186/MMBtu on Thursday, NYMEX June futures gained eight cents throughout the day on Friday to settle at \$3.266/MMBtu. Friday prices rose due to colder weather forecasts seen throughout the Northeast, which may mean some continued late season heating demand. The U.S. Energy Information Administration showed a total rise in U.S. consumption of 3% week-on-week, with a larger rise in power burns of 9%. Increased demand for this time of the year could add pressure to the already tightening supply during a time of the year where natural gas demand is typically low. Production continues to be stagnant around 71 Bcf/d. If this trend continues, it will be interesting to see if there will be continued upward pressure on prices, especially if we see increases in demand from the power generation sector as we get closer to summer.

**Bullish Factors**

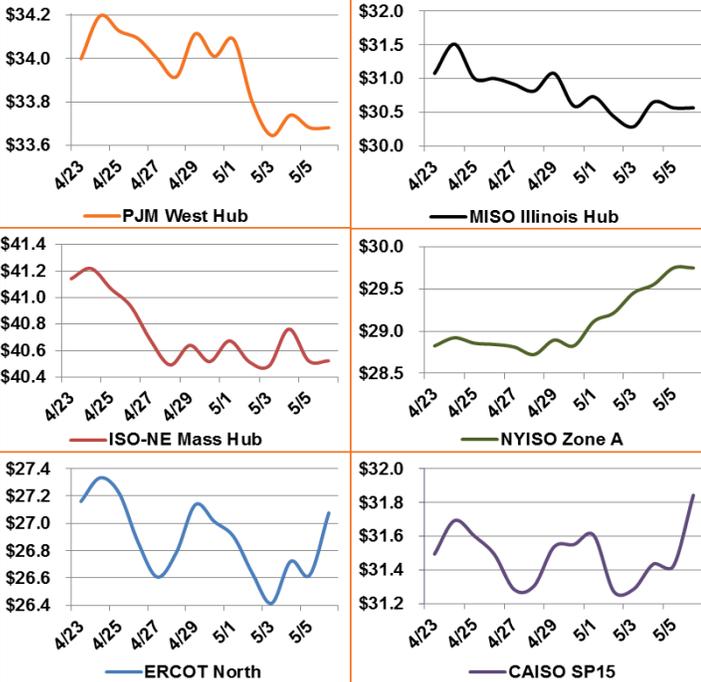
- Stagnant production
- Exports to Mexico at record high
- Growing LNG exports

**Bearish Factors**

- Power burn down year-over-year
- Producer hedging
- Less coal-to-gas switching



**12 Month Strips, ATC Power Prices**



**Next Day On-Peak Power (traded for 5/8/2017)**

<b>ISO-NE Mass Hub</b> \$32.00	<b>MISO Indiana Hub</b> \$27.73 5/7/17	<b>NYISO Zone G</b> \$25.65 5/7/17
<b>PJM West Hub</b> \$32.99	<b>ERCOT North</b> \$24.13	<b>CAISO SP15</b> \$30.03
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Jun-17	3.266	0.080
Jul-17	3.350	0.079
12 Month	3.360	0.064
Cal 18	3.111	0.032
Cal 19	2.893	0.015

**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>	2,256	2,189	2,615	1,953
<b>Diff v. Current</b>		67	-359	303
<b>% Diff</b>			-13.7%	15.5%

