

**Early Morning Update:**

The Jun18 natural gas contract is trading down \$0.01 at \$2.73. The Jun18 crude contract is up \$0.36 at \$71.50.

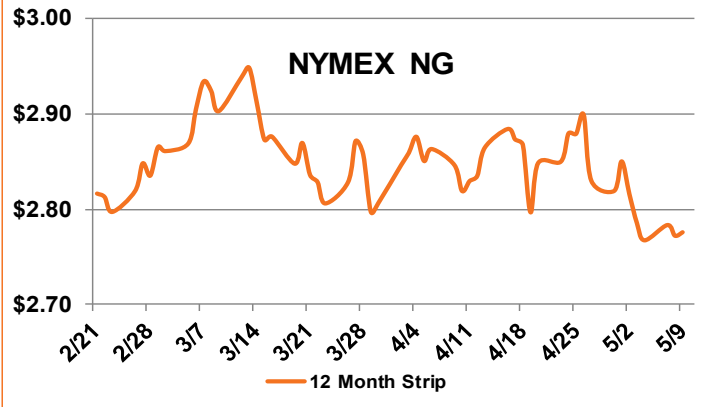
**Summary:** The price of gas for June 2018 delivery continued its sideways movement yesterday, gaining just half of a penny to settle at \$2.737/MMBtu. Meanwhile, the calendar strips for 2020-2023 continue to set all-time lows, closing yesterday's trading session at \$2.647, \$2.667, \$2.716, and \$2.784, respectively. With warmer-than-normal temperature on tap for the next two weeks for most of the country, demand for natural gas in the electric generation sector is expected to grow. Power burn is up 0.6 Bcf/d from yesterday to 26.4 Bcf/d, boosting overall U.S. demand by 1.4 Bcf/d to 63.4 Bcf/d. Coming off the longest withdrawal season on record, storage rebuilding appears off to a strong start. Last week's build was larger than anticipated, though still in line with historical averages. However, the U.S. Energy Information Administration is expected to report a growth in storage inventories in the neighborhood of 92 Bcf for the week to May 4, almost twice as large as the injection seen last year for the same week, and larger than the 75 Bcf five-year average.

**Bullish Factors**

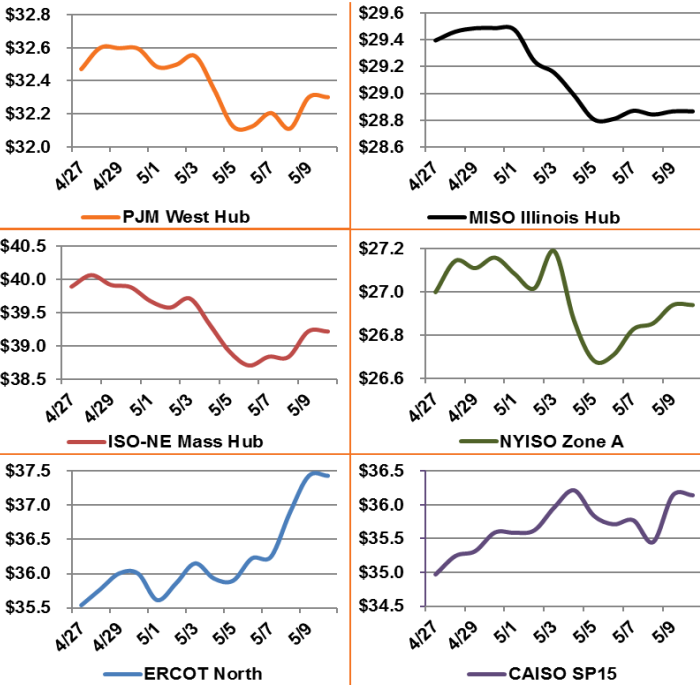
- Run-up to summer
- LNG exports ramping up
- Exports to Mexico at all-time high

**Bearish Factors**

- NG production at record levels
- Growing renewable energy generation



**12 Month Strips, ATC Power Prices**



**Next Day On-Peak Power (traded for 5/10/2018)**

<b>ISO-NE Mass Hub</b> \$26.34	<b>MISO Indiana Hub</b> \$38.56	<b>NYISO Zone G</b> \$30.84
<b>PJM West Hub</b> \$38.57	<b>ERCOT North</b> \$30.84	<b>CAISO SP15</b> \$25.07
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Jun-18	2.737	0.005
Jul-18	2.760	0.000
12 Month	2.775	0.004
Cal 19	2.673	0.001
Cal 20	2.647	-0.004

**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>	1,343	1,281	2,246	1,878
<b>Diff v. Current</b>		62	-903	-534
<b>% Diff</b>			-40.2%	-28.4%

