

**Early Morning Update:**

The Jun18 natural gas contract is flat at \$2.81. The Jun18 crude contract is down \$0.11 at \$71.25.

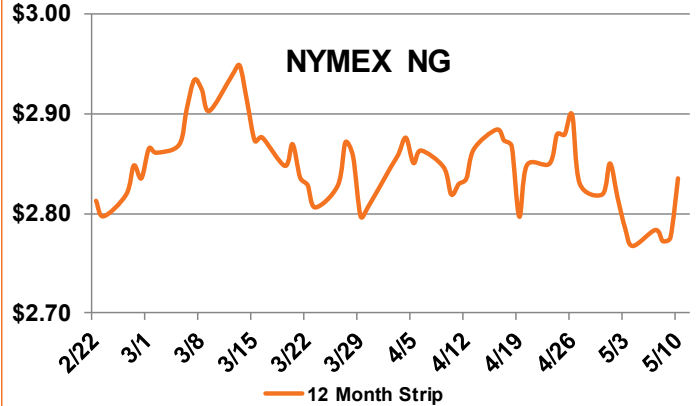
**Summary:** I guess a \$.077 move up qualifies as a huge rally these days. It's been months since we've seen price move up that much in one day and it seems that the storage report was the culprit. The EIA reported a build into storage of 89 Bcf, which seemed to be in-line with expectations, but the market rallied anyway. After prices moved 'sharply' higher, the prompt month is now at the high end of the recent trading range (~\$2.70 - \$2.80). Whether this triggers a move down to get back into the range or is the beginning of breaking out of the range remains to be seen. Weather forecasts are starting to look a little bullish as warmer temperatures are blanketing much of the country for the next three weeks, potentially triggering air-conditioning load. Estimates for next weeks' storage report call for a build of 105, quite a bit above historic averages

**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
- Mild weather



**Next Day On-Peak Power (traded for 5/11/2018)**

<b>ISO-NE Mass Hub</b> \$24.55	<b>MISO Indiana Hub</b> \$36.98	<b>NYISO Zone G</b> \$28.56
<b>PJM West Hub</b> \$36.19	<b>ERCOT North</b> \$30.00	<b>CAISO SP15</b> \$18.31
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
<b>Jun-18</b>	2.814	0.077
<b>Jul-18</b>	2.828	0.068
<b>12 Month</b>	2.835	0.060
<b>Cal 19</b>	2.709	0.036
<b>Cal 20</b>	2.671	0.024

<b>EIA Natural Gas Storage</b>				
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	1,432	1,343	2,246	1,878
<b>Diff v. Current</b>		89	-814	-446
<b>% Diff</b>			-36.2%	-23.7%

