

Early Morning Update:

The Jun18 natural gas contract is trading up \$0.02 at \$2.82. The Jun18 crude contract is up \$0.10 at \$70.80.

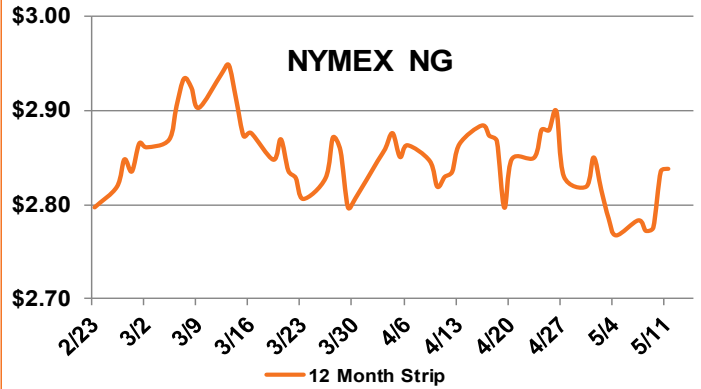
Summary: After a bumpy Thursday, the market settled right back down and the prompt month closed nearly flat, down only \$.008 to finish the week at \$2.806. On the week though, the prompt month moved up \$.09, with almost all of the move occurring on Thursday. A couple of things to watch out for as we move through May: 1. Weather forecasts continue to show above-average temperatures through the first few days of June. A hot start to summer is likely to lead to increased NG demand. 2. Capacity tag season is upon us - and a hot start to summer could mean that capacity obligations are set earlier in the summer (like Nepoch last year). 3. NG production appears to have stagnated, at least for the time being. We have been hovering around 78 Bcf/d for many weeks now and if we see prolonged extreme heat, demand will be higher meaning there is potential for lower builds into storage.

Bullish Factors

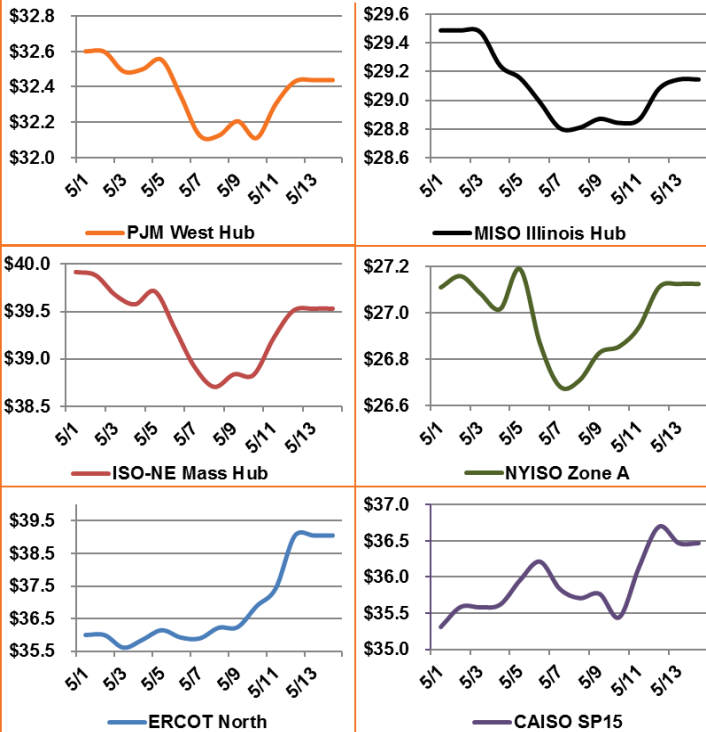
- Run-up to summer
- LNG exports ramping up
- Exports to Mexico at all-time high

Bearish Factors

- NG production at record levels
- Growing renewable energy generation
- Mild weather



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 5/14/2018)

ISO-NE Mass Hub \$26.40	MISO Indiana Hub \$46.75	NYISO Zone G \$31.69
PJM West Hub \$48.27	ERCOT North \$40.00	CAISO SP15 \$24.52
NYMEX NG	Close	Change
Jun-18	2.806	-0.008
Jul-18	2.825	-0.003
12 Month	2.838	0.003
Cal 19	2.712	0.003
Cal 20	2.671	0.000

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,432	1,343	2,295	1,952
Diff v. Current		89	-863	-520
% Diff			-37.6%	-26.6%

