

Early Morning Update:

The Jun18 natural gas contract is trading down \$0.01 at \$2.80. The Jun18 crude contract is up \$0.56 at \$72.05.

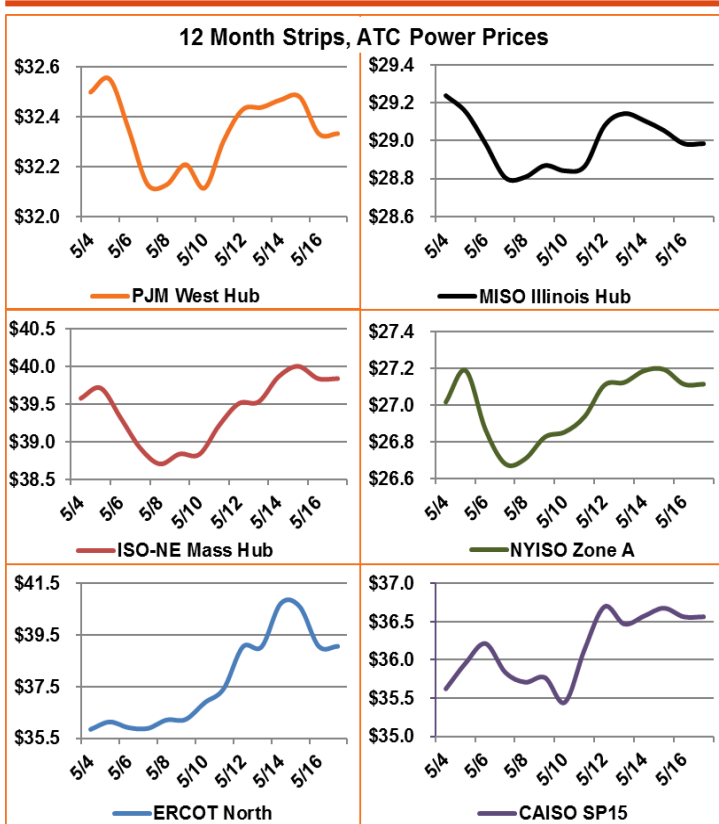
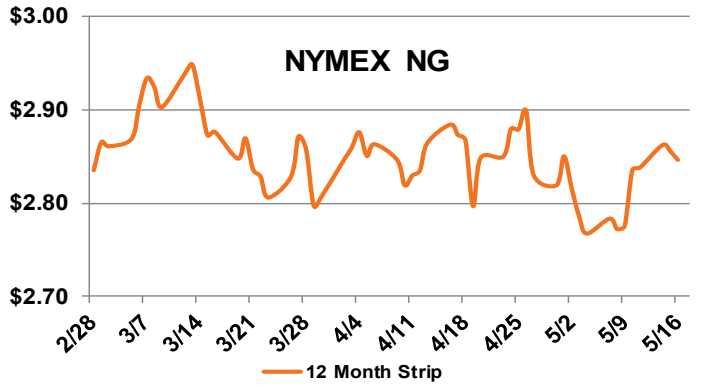
Summary: Trading was fairly quiet on Wednesday, with the prompt contract settling down 2.1 cents at \$2.815/MMBtu. Weather outlooks for the U.S. remain well above normal for the next several weeks. Warm weather, sustained high production, and low pricing have led to today's bearish storage expectation, which is hovering around 105 Bcf. This projection is well above the injections from both last year for the corresponding week (64 Bcf), as well as the five-year average (87 Bcf). Despite higher-than-normal power burns, gas calendar strips for '19-'23 continue to set new lows. All strips are at or below about \$2.78. The 12-month strips for CA, TX, NY, and NE all remain elevated as we draw closer to summer. The same term for PJM east and west is flat day-over-day, while MISO pricing continues to fall.

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

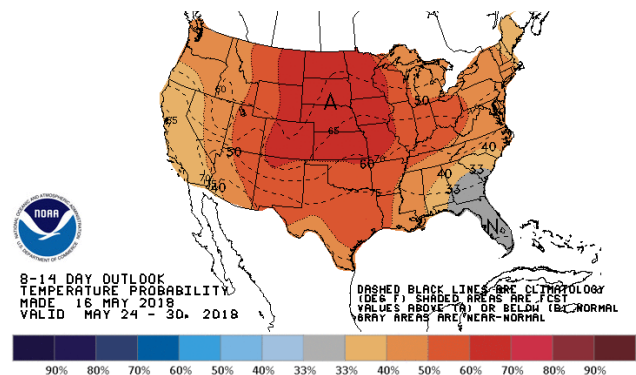
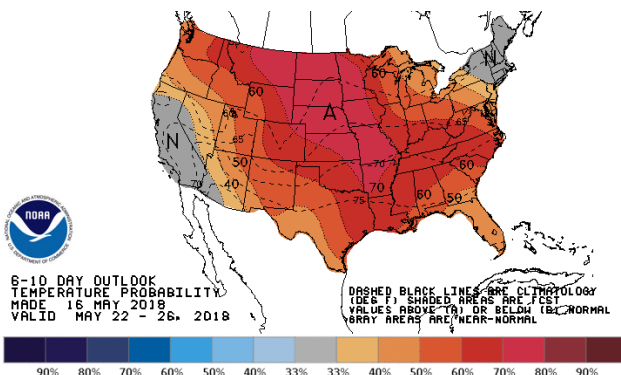


Next Day On-Peak Power (traded for 5/17/2018)

ISO-NE Mass Hub \$26.45	MISO Indiana Hub \$39.05	NYISO Zone G \$33.95
PJM West Hub \$35.69	ERCOT North \$59.44	CAISO SP15 \$19.94
NYMEX NG		Close
Jun-18		2.815
Jul-18		2.837
12 Month		2.846
Cal 19		2.720
Cal 20		2.665
		Change
Jun-18		-0.021
Jul-18		-0.017
12 Month		-0.009
Cal 19		0.001
Cal 20		0.007

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%



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