

Early Morning Update:

The Jun17 natural gas contract is up \$0.05 at \$3.30. The Jun17 crude contract is up \$0.62 at \$50.95.

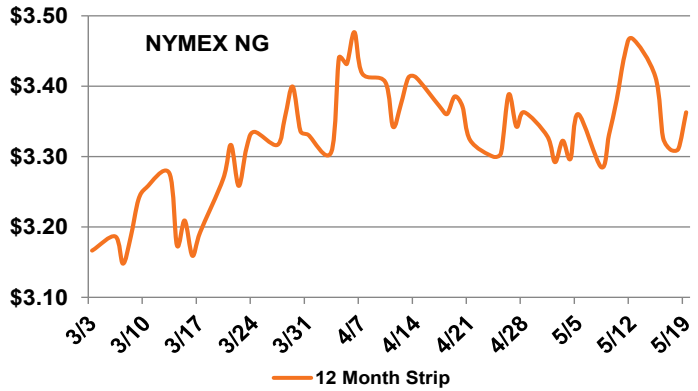
Summary: After the downward trend seen throughout the majority of last week, the NYMEX June future contract closed up 7.4 cents at \$3.256/MMBtu. Storage numbers could have led to this upward pressure on price, with the supply final number coming in at 2,369 Bcf, which was 375 Bcf lower than last year and shortened the gap between the five year average to 256 Bcf. Weather forecasts for the next couple of weeks are once again showing cooler than normal temperatures in the Northeast, and slightly above normal temperatures in lower portion of the U.S. We are finally starting to see a slight uptick in production at just over 71 Bcf/d which could be the result of the continued increase in rig counts. Managed Money positions are still bullish to 245,640, which is the highest seen since 2006.

Bullish Factors

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

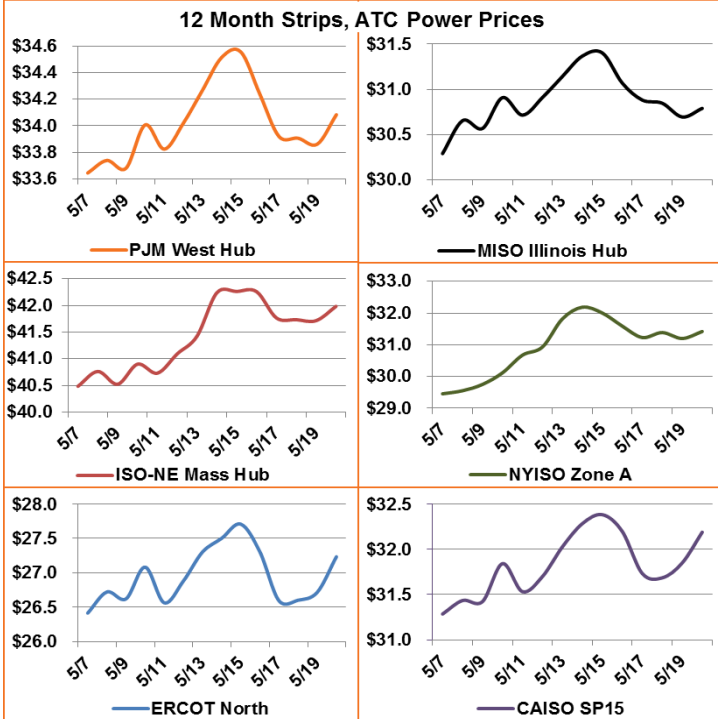
Bearish Factors

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



Next Day On-Peak Power (traded for 5/22/2017)

ISO-NE Mass Hub \$24.66	MISO Indiana Hub \$32.10	NYISO Zone G \$25.74
PJM West Hub \$34.00	ERCOT North \$25.75	CAISO SP15 \$43.43
NYMEX NG	Close	Change
Jun-17	3.256	0.074
Jul-17	3.353	0.073
12 Month	3.363	0.052
Cal 18	3.109	0.017
Cal 19	2.870	-0.008



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,369	2,301	2,744	2,113
Diff v. Current		68	-375	256
% Diff			-13.7%	12.1%

