

Early Morning Update:

The Jun17 natural gas contract is trading up \$0.02 at \$3.20. The Jun17 crude contract is down \$0.27 at \$45.25.

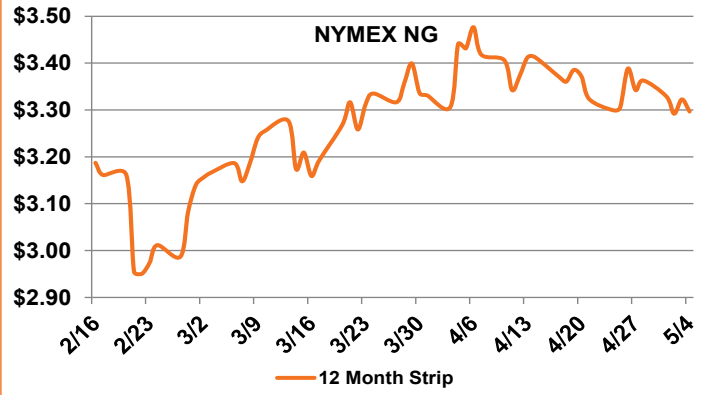
Summary: The prompt NG contract saw a small dip in prices as the EIA reported a larger-than-expected build into storage yesterday. The build was shown to be 67 Bcf, and the estimates were 60 Bcf. Lower heating and cooling related demand due to mild weather allowed for the larger injection. Weather forecasts through the next three weeks show relatively low demand continuing. But with NG production levels still below last year's levels, the pace of injections will be slower than last year. End-of-season estimates still hover between 3.6 and 3.7 Tcf. As far as price action, near term gas and power prices mostly moved lower yesterday, while longer term prices saw very little movement

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 5/5/2017)

ISO-NE Mass Hub \$32.48	MISO Indiana Hub \$33.63	NYISO Zone G \$32.68
PJM West Hub \$30.89	ERCOT North \$22.00	CAISO SP15 \$41.62
NYMEX NG	Close	Change
Jun-17	3.186	-0.042
Jul-17	3.271	-0.038
12 Month	3.297	-0.026
Cal 18	3.078	-0.014
Cal 19	2.878	0.000

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,256	2,189	2,615	1,953
Diff v. Current		67	-359	303
% Diff			-13.7%	15.5%

