Month	Settle	3/31/2017	Strip Avg,
May-17	3.190	May17-Jul17	3.253
Jun-17	3.254	May17-Oct17	3.290
Jul-17	3.316	Nov17-Mar18	3.471
Aug-17	3.333	Apr18-Oct18	2.850
Sep-17	3.318		
Oct-17	3.328	May17-Apr18	3.331
Nov-17	3.372	Calendar 2018	3.034
Dec-17	3.488	Calendar 2019	2.833
Jan-18	3.557	Calendar 2020	2.821
Feb-18	3.514	Calendar 2021	2.832
Mar-18	3.422	Calendar 2022	2.842
Apr-18	2.878	Calendar 2023	2.881

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NEXT DAY GAS PRICES (ICE weighted average):

TETCO M2 (rec)	2.8022	Henry Hub	3.0998	Dom-SP	2.8133

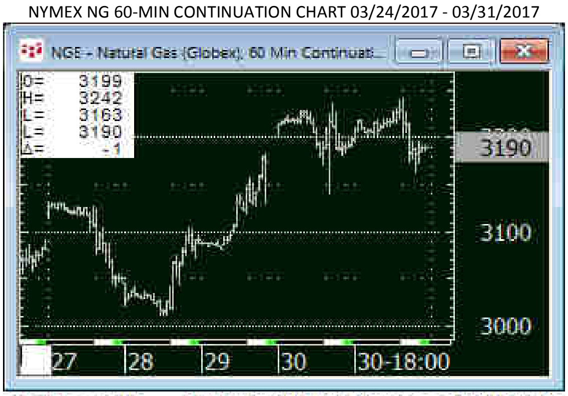
ICE BASIS FUTURES PRICES:

Tetco M2 Basis	3/31/2017	Dominion-South Basis	
May-17	-0.4775	May-17	-0.4625
Jun-17	-0.5650	Jun-17	-0.5575
May17-Jul17	-0.5467	May17-Jul17	-0.5317
May17-Oct17	-0.5768	May17-Oct17	-0.5604
Nov17-Mar18	-0.3935	Nov17-Mar18	-0.4315
May17-Apr18	-0.4921	May17-Apr18	-0.5010
Calendar 2018	-0.4515	Calendar 2018	-0.4727
Calendar 2019	-0.5244	Calendar 2019	-0.5327
Calendar 2020	-0.5715	Calendar 2020	-0.5752
Calendar 2021	-0.5371	Calendar 2021	-0.5642

As of Week Ending:	3/24/2017	Build/(Draw)
Current Storage	2,049 Bcf	(43) Bcf
		Surplus/(Deficit)
Last Year Storage	2,472 Bcf	(423) Bcf
5-Year Avg. Storage	1,799 Bcf	250 Bcf

Market Commentary: While some bullish traders were quick to write-off winter as mild conditions predominated throughout most of the month of February, March has seen a similar fate befall bearishly inclined traders, as lagging supply and robust demand prospects take center stage. The April contract is the first contract in the summer natural gas strip, but this year market conditions saw the April contract settle more than 50 cents above March, which of course is the last contract in the winter strip. Basis prices have also firmed up somewhat from last month, so we are looking at an expected DTI index in the 2.70 vicinity for April, which would be well above the 2.06 average for March, but still shy of Feb's 2.98 and Jan's 3.33 monthly DTI indices. After finishing out last week on an upswing, this week began with a slight gap up on the charts on Sunday night, trading up into the low teens before pulling back into Monday. Prices got close to the 3.00 level but ultimately bounced before breaking through, and it was all uphill from there with the market rallying into Wednesday's contract settlement day, with a final monthly settle of 3.175 which was on the high side of the day's range. May assumed prompt status on Weds afternoon and has seen push and pull in both directions since that time, but has not embarked on a meaningful run in either direction as yet, with even yesterday's storage report incapable of producing such a catalyst for the market to pick up some momentum. The knee-jerk reaction to the -43 Bcf withdrawal was lower, with most expectations for a slightly larger pull from storage, but the -43 Bcf figure was bullish for the reference week and easily topped last year and the 5-year average, although obviously it was not as large as the -150 Bcf reported last week. We continue to await evidence that production is moving back in the direction of growth, which has so far not materialized, and given the growing role of natural gas in baseload power generation, that starts to become a concern for our ability to refill storage facilities in preparation for the winter to come. While we are exiting winter with a very healthy carryout north of 2 Tcf, current projections for peak storage balances come November are less than 3.7 Tcf at this point, which is several hundred Bcf lower than last year, even as the market is seeing demand continue to grow rapidly. The below graphic from the EIA plots NG used in power generation over the past 5 years, and as can be seen the volumes have been in an uptrend with each year's consumption pattern generally higher than the prior year, and that trend is expected to persist going forward. The trading adage that "the best cure for low prices is low prices" appears to be accurate here, but low prices have taken a very long time to do their job in attracting demand, and the fear remains that the market will respond to any price increase with a flood of new production that will knock prices right back down. That theory is being put to test now, however, as prices have spurred new drilling activity in many plays (the Marcellus and Utica chief among them), but so far it has not been enough to offset conventional declines elsewhere. Wait and see mode continues.

NYMEX NG 60-MIN CONTINUATION CHART 03/24/2017 - 03/31/2017



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