

Month	Settle	2/12/2018	Strip Avg.
Mar-18	2.552	Mar18-May18	2.581
Apr-18	2.579	Apr18-Oct18	2.664
May-18	2.612	Nov18-Mar19	2.908
Jun-18	2.651	Apr19-Oct19	2.663
Jul-18	2.696	Nov19-Mar20	2.915
Aug-18	2.705	Mar18-Feb19 (1-yr)	2.738
Sep-18	2.693	Calendar 2019	2.763
Oct-18	2.712	Calendar 2020	2.768
Nov-18	2.767	Calendar 2021	2.808
Dec-18	2.906	Calendar 2022	2.848
Jan-19	3.001	Calendar 2023	2.885
Feb-19	2.978	Calendar 2024	2.927

**ICE BASIS FUTURES PRICES:**

Tetco M2 Basis	2/12/2018	Dominion-South Basis	
Mar-18	-0.4350	Mar-18	-0.4600
Apr-18	-0.5700	Apr-18	-0.5450
May-18	-0.6275	May-18	-0.6150
Apr18-Oct18	-0.7264	Apr18-Oct18	-0.7018
Nov18-Mar19	-0.4305	Nov18-Mar19	-0.4780
Apr19-Oct19	-0.6621	Apr19-Oct19	-0.6400
Mar18-Feb19	-0.6083	Mar18-Feb19	-0.6108
Calendar 2019	-0.5675	Calendar 2019	-0.5696
Calendar 2020	-0.5846	Calendar 2020	-0.5796
Calendar 2021	-0.6271	Calendar 2021	-0.5960

**TODAY'S GAS DAILY CASH MARKET PRICES (for GD10-12):**

TRAN Z6 NY	2.675	Henry Hub	2.610	Dom-South	2.250
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**Market Commentary:** Things have continued to deteriorate as the past week has unfolded, and the natural gas market now finds itself trading very close to long-term support in the 2.50's once again. It was only mid-December when we touched what was then a 9-month low of 2.568, and today saw NG trade down to 2.538 which is the lowest price since things warmed up last February. Should the market take out the lows and break 2.50, we would be looking at the lowest front-month prices since June of 2016 and that would pave the way for a move down into the 2.20's. At that point the early 2016 low of 1.611 comes into the market's sights, which was a multi-decade low not seen since the 1990's. While conditions one month ago were extreme and quite supportive, the market is now staring down mild conditions through the end of the month across the East, and that has put a nail in the coffin for the remainder of winter. The 8 to 14 day outlook from NOAA offers little for NG traders to get excited about, and indeed today's trading session was light on volatility with a range of less than 7 cents. That prices did not take out long-term support and enter a freefall is about the only positive development for market bulls to hang their hats on tonight, but it is at least something. Last

**NYMEX NG 240-MIN CHART 02/06/2018 - 02/12/2018**



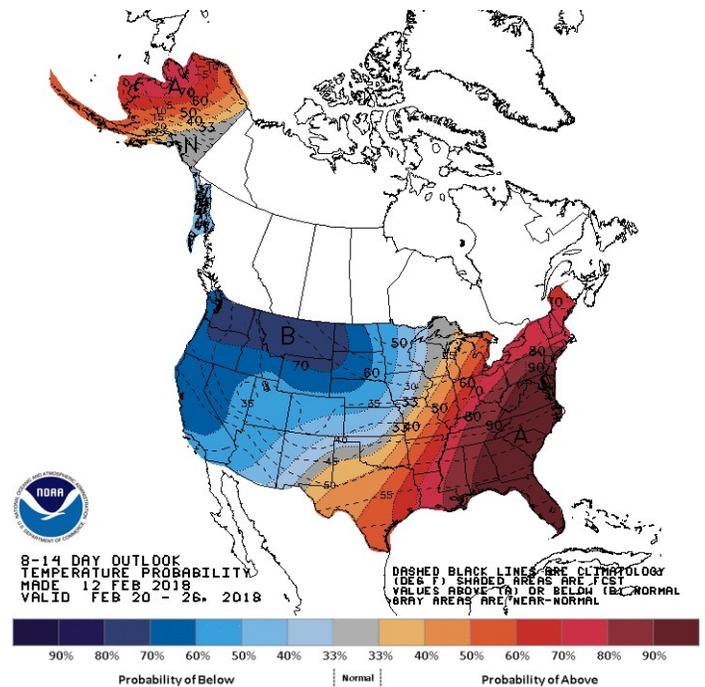
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As of Week Ending:	2/2/2018	Build/(Draw)
Current Storage	2,078 Bcf	(119) Bcf
		Surplus/(Deficit)
Last Year Storage	2,581 Bcf	(503) Bcf
5-Year Average	2,471 Bcf	(393) Bcf

February's selloff in the face of mild weather conditions was ultimately met with a reversal toward the end of the month that carried prompt prices from the low 2.50's on 02/21/17 up into the 3.30's by 04/05/17, or a rally of nearly 33% in about five weeks' time on the continuation chart. That is not to suggest that the market will follow a similar path this year, but to illustrate the timing: last year's low actually printed in the month of February (unlikely as that sounds), and the market touched a 3.43 high in the shoulder month of May (and that high held up as the high print for all of 2017). Concerns about limited storage availability to finish out a cold winter have quieted as forecasts have trended milder, but the market is still going to finish at a much lower level of storage than we have seen in several years. That fact, coupled with growing LNG demand and increased demand from the utility sector, should help to provide an outlet for growing dry-gas production levels that are once again pushing 78 Bcf/day, and are expected to continue to grow as we progress through 2018. If not, then there is always the prospect of lower prices to help push things back into balance.



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