

Natural Gas Market Review and Outlook

For the week ended Apr. 20, '18

Week-to-Week Natural Gas Price Activity — / ↓

Main factors driving natural gas prices: Prices at NYMEX and Dawn changed little for the week with market participants still accounting for relatively high heating demand as cold weather lingers in much of Canada and the northern USA to be followed by reduced heating demand in early May on expectations that temperatures revert to seasonal levels. Prices to deliver in the rest of the gas year at AECO fell slightly with continued focus on strong local production and risk of stranded gas this summer. NOAA forecasts that above normal temperatures are most likely to occur in the Midwest and Northeast in the first week of May.

NYMEX prices for week starting Apr. 23, '18 (USD / MMBtu): Price for Jun. '18 is not likely to exceed \$2.91. Price for Summer '18 (Jun. - Oct.) is not likely to exceed \$2.92. Price for Winter '18 - '19 (Nov. - Mar.) is not likely to exceed \$3.10 (N.B. *Contract for delivery in May '18 expires Apr. 26, '18*).

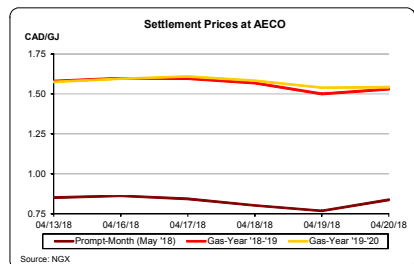
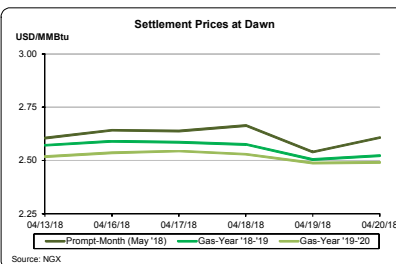
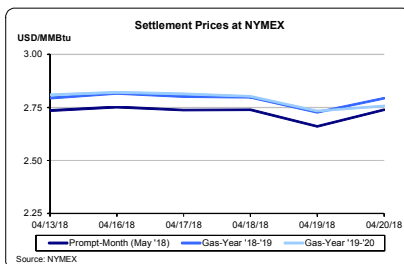
Dawn prices for week starting Apr. 23, '18 (USD / MMBtu): Price for May '18 is not likely to exceed \$2.73. Price for Summer '18 (May - Oct.) is not likely to exceed \$2.68. Price for Winter '18 - '19 (Nov. - Mar.) is not likely to exceed \$2.99.

AECO prices for week starting Apr. 23, '18 (CAD / GJ): Price for May '18 is not likely to exceed \$0.88. Price for Summer '18 (May - Oct.) is not likely to exceed \$1.12. Price for Winter '18 - '19 (Nov. - Mar.) is not likely to exceed \$2.00.

(N.B. all projections are at 90% confidence and based on data for Apr. 20, '18)

NYMEX prices (USD/MMBtu)	04/20/18	04/13/18	% Δ	Dawn prices (USD/MMBtu)	04/20/18	04/13/18	% Δ	AECO prices (CAD/GJ)	04/20/18	04/13/18	% Δ
Prompt-Month (May '18)	\$2.74	\$2.74	0%	Prompt-Month (May '18)	\$2.61	\$2.61	0%	Prompt-Month (May '18)	\$0.84	\$0.85	-2%
Summer '18 (May - Oct.)	\$2.79	\$2.79	0%	Summer '18 (May - Oct.)	\$2.57	\$2.57	0%	Summer '18 (May - Oct.)	\$1.08	\$1.09	-1%
Winter '18-'19 (Nov. - Mar.)	\$2.96	\$2.99	-1%	Winter '18-'19 (Nov. - Mar.)	\$2.86	\$2.89	-1%	Winter '18-'19 (Nov. - Mar.)	\$1.92	\$1.98	-3%
Gas Year '18-'19 (Nov. - Oct.)	\$2.76	\$2.81	-2%	Gas Year '18-'19 (Nov. - Oct.)	\$2.52	\$2.57	-2%	Gas Year '18-'19 (Nov. - Oct.)	\$1.53	\$1.58	-3%
Gas Year '19-'20 (Nov. - Oct.)	\$2.71	\$2.77	-2%	Gas Year '19-'20 (Nov. - Oct.)	\$2.49	\$2.52	-1%	Gas Year '19-'20 (Nov. - Oct.)	\$1.54	\$1.58	-2%

All prices are settlement prices



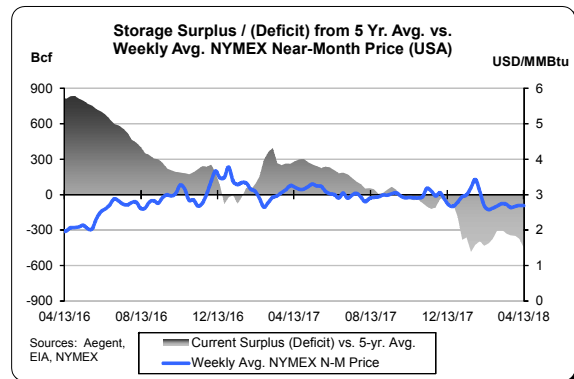
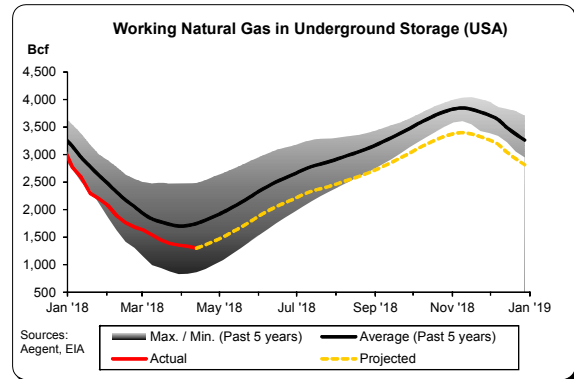
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Fundamentals

Natural gas: The EIA reported a net withdrawal from storage of 36 Bcf for the week ended Apr. 13, '18, decreasing total storage to 1,299 Bcf which is 38.3% below last year's level and 25.7% below the 5-year average. This change was greater than the market's expectations of a net withdrawal of 26 Bcf. Baker-Hughes reported that the weekly US natural gas rig count as of Apr. 20, '18 was 192; no change from the figure as of Apr. 13, '18.

Crude oil: The price of the prompt-month contract continued to rally this month by moving from \$67.39 US / bbl as of Apr. 13, '18 to \$68.38 US / bbl as of Apr. 20, '18. Sentiment remains bullish after a net weekly decrease to stockpiles in the USA, signals that OPEC and Russia will extend their policy of reduced output which is currently set to last until the end of 2018, and expectations of higher demand this summer with driving season approaching.

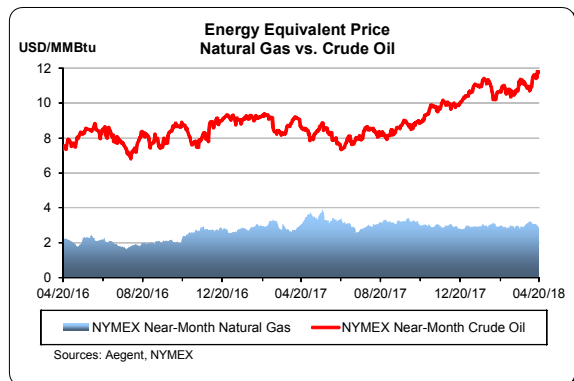
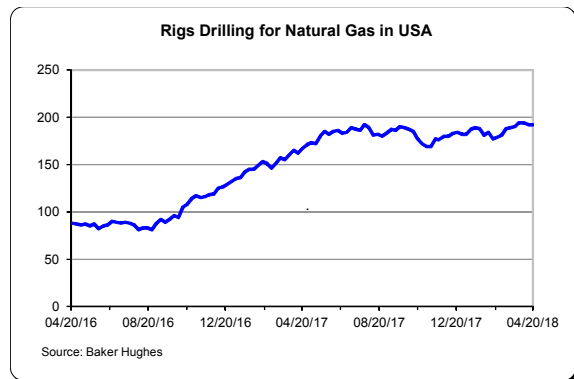


US Natural Gas in Storage (Bcf) (Source: EIA)

Week ended 04/13/18	This year	Year ago	5-year average
Net change	-36	49	37
Gas in storage	1,299	2,107	1,748

US Petroleum Stockpiles (MMbbl) (Source: EIA)

Week ended 04/13/18	This year	Week ago	Year ago
Crude oil	427.6	428.6	532.3
Distillate (incl. heating oil)	125.3	128.4	148.3

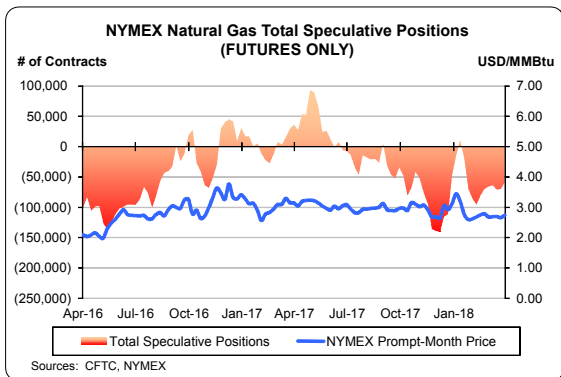
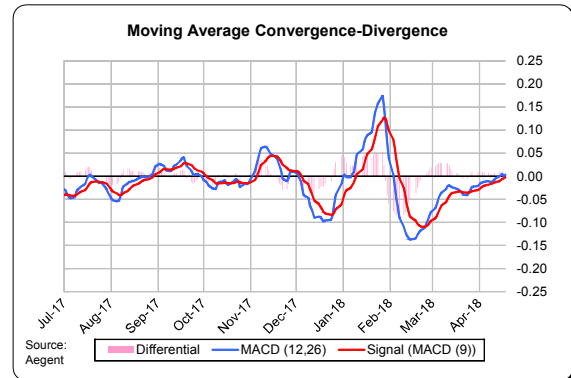
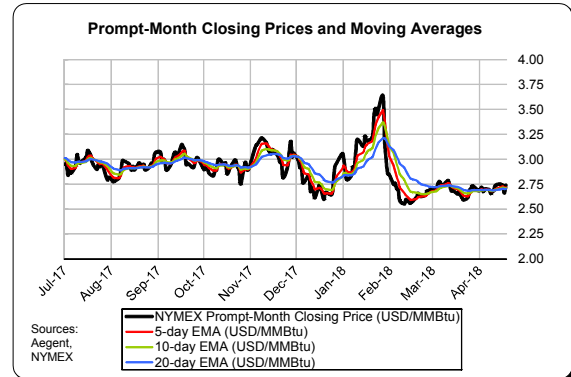


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Technical

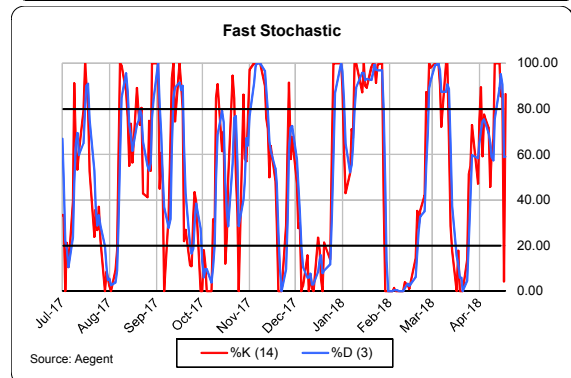
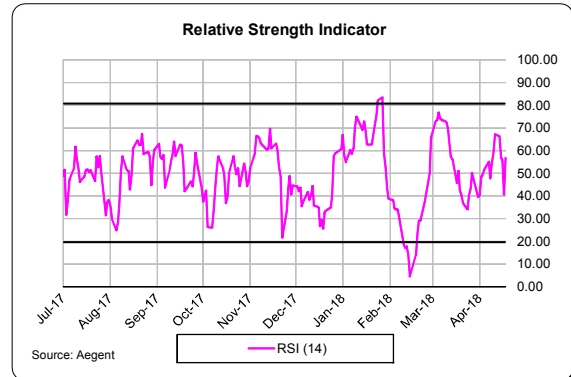
Indicators are neutral to bullish for the short-run. The latest closing price of the contract for near-month delivery on NYMEX (\$2.739 US / MMBtu) is above the 5-, 10-, and 20-day EMAs (Exponential Moving Average). Moving Average Convergence-Divergence indicator gave a signal to buy on Mar. 29, '18. Relative Strength Indicator (RSI) and Fast Stochastic are bullish. The contract for near-month delivery may still find resistance near Fibonacci's retracement of 38.2% for decline from late January to early February (\$2.96 US / MMBtu). Near-month contract may still find support near lowest closing price of 2018 to date (\$2.552 US / MMBtu).



Speculative Positions on NYMEX Natural Gas Futures (Source: CFTC)

As of 04/17/18	This Week	Week ago
Total Open Interest	1,478,529	1,484,484
Net Position - Total	(58,926)	(69,836)
Net Position - Large Speculators	(89,297)	(98,273)

Note: Parentheses denote net short position



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Temperature Outlooks: Apr. 29 – May 7, '18

Weather (maps courtesy of NOAA)

NOAA reports that total Gas Home Heating Degree Days in the USA for the week ended Apr. 21, '18 were 123. The norm for this time of year is 84. For the period Oct. 7, '17 — Apr. 21, '18, cumulative total Gas Home Heating Degree Days stand at 4,315. The 30-year cumulative average (1971-2000) for the same period is 4,465.

For the upcoming week, NOAA forecasts Gas Home Heating Degree Days to be 58. The norm for this period is 72.

For the week ended Apr. 20, '18, estimated Heating Degree Days in Ontario are estimated to be 121. The 5-year average for this period is 71. For the period Oct. 6, '17 — Apr. 20, '18, cumulative total estimated Heating Degree Days are 3,660. The average cumulative total of the past 5 years for the same period is 3,565.

About Aegent

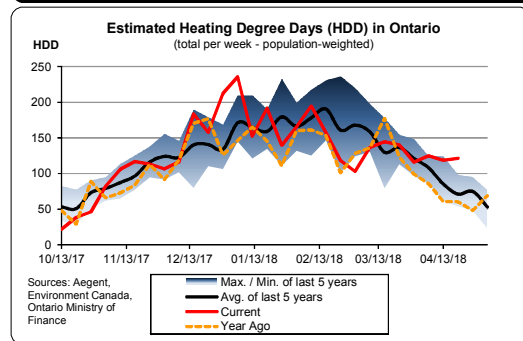
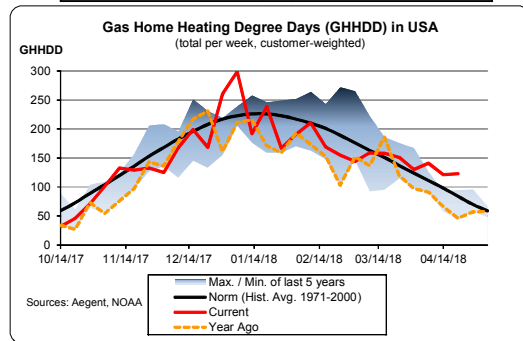
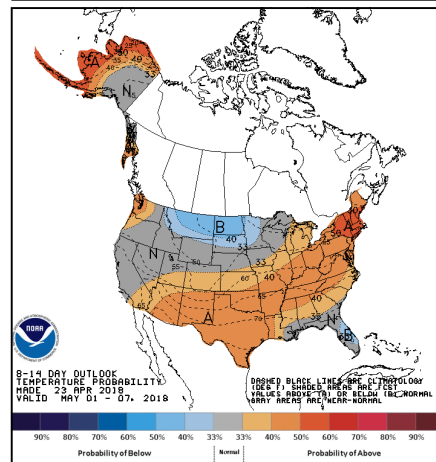
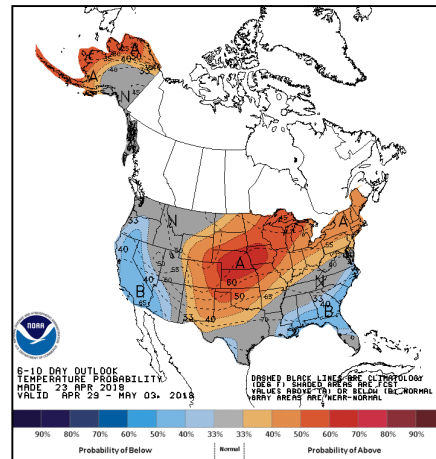
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