

MARKET UPDATE



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Market News

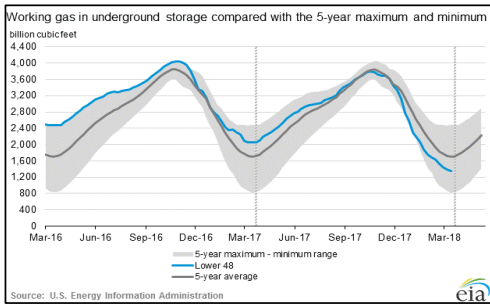
Market Recap - Natural gas spot prices rose at most locations this report week (Wednesday, March 28 to Wednesday, April 4). The Henry Hub spot price rose from \$2.64 per million British thermal units (MMBtu) last Wednesday to \$2.77/MMBtu. At the New York Mercantile Exchange (Nymex), the May 2018 contract price rose 2¢ from \$2.698/MMBtu last Wednesday to \$2.718/MMBtu.

Storage Report - Working gas in storage was 1,354 Bcf as of Friday, March 30, 2018, according to EIA estimates. This represents a net decrease of 29 Bcf from the previous week. Stocks were 697 Bcf less than last year at this time and 347 Bcf below the five-year average of 1,701 Bcf. At 1,354 Bcf, total working gas is within the five-year historical range.

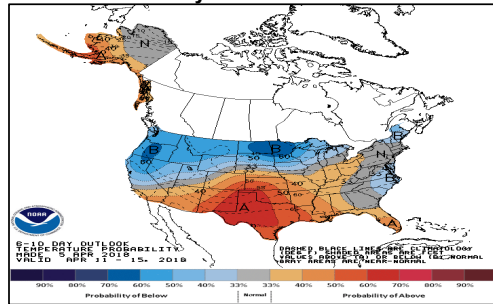
Word on the Street - May Henry natural gas was higher overnight. Stochastics and the RSI are neutral to bullish signaling that sideways to higher prices are possible near-term. Closes above last Thursday's high crossing at 2.764 are needed to confirm that a short-term low has been posted. If May resumes Monday's decline, March's low crossing at 2.610 is the next downside target.

Observations - U.S. retail electricity sales fell by 80 billion kilowatthours (kWh) in 2017, the largest drop since the economic recession in 2009. The 2% decrease in 2017 reflects lower retail sales in the residential, commercial, and industrial sectors and is largely attributable to milder weather. Total electricity retail sales in 2017 were 3,682 billion kWh, nearly identical to the levels seen more than a decade before, in 2006. 12-month high electricity and natural gas prices were set at all points east of the Rockies during a long stretch of very cold weather in early January. The Northeast saw its share of coal and natural gas consumption decrease at the expense of other fossil fuel, specifically fuel oil used to generate electricity. This occurred because the Northeast experienced a period of significantly cold temperatures in January 2018.

Inventories



6-10 Day Forecast

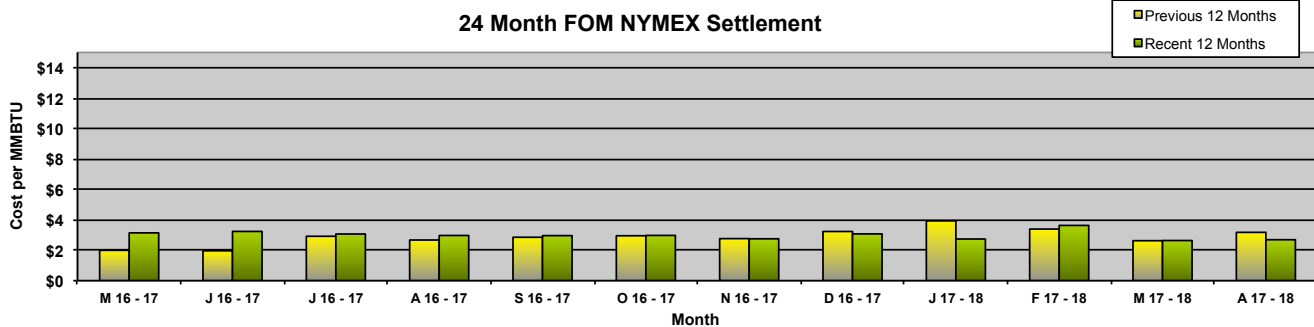


Source: EIA

Month	Last Price	Change	Updated - 4/06/2018 1:30 PM EST																							
May-18	\$2.70	0.03	<table border="1"> <thead> <tr> <th colspan="2">Summer / Winter</th> </tr> </thead> <tbody> <tr> <td>Nov -18 - March 19</td> <td>\$2.99</td> </tr> <tr> <td>May 18 - Oct 18</td> <td>\$2.79</td> </tr> <tr> <td>Nov 19 - March 20</td> <td>\$2.91</td> </tr> <tr> <th colspan="2">Strip Prices</th> </tr> <tr> <td>3 Month</td> <td>\$2.76</td> </tr> <tr> <td>6 Month</td> <td>\$2.79</td> </tr> <tr> <td>9 Month</td> <td>\$2.86</td> </tr> <tr> <td>1 Year</td> <td>\$2.86</td> </tr> <tr> <td>2 Year</td> <td>\$2.83</td> </tr> <tr> <td>3 Year</td> <td>\$2.81</td> </tr> </tbody> </table>		Summer / Winter		Nov -18 - March 19	\$2.99	May 18 - Oct 18	\$2.79	Nov 19 - March 20	\$2.91	Strip Prices		3 Month	\$2.76	6 Month	\$2.79	9 Month	\$2.86	1 Year	\$2.86	2 Year	\$2.83	3 Year	\$2.81
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Jun-18	\$2.75	0.02																								
Jul-18	\$2.81	0.02																								
Aug-18	\$2.83	0.02																								
Sep-18	\$2.82	0.02																								
Oct-18	\$2.83	0.02																								
Oct-18	\$2.88	0.02																								
Dec-18	\$3.00	0.01																								
Jan-19	\$3.09	0.01																								
Feb-19	\$3.05	0.01																								
Mar-19	\$2.94	0.01																								
Apr-19	\$2.66	-0.01																								

Source: Nymex

24 Month FOM NYMEX Settlement



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