

Early Morning Update:

The Apr19 natural gas contract is trading down \$0.02 at \$2.75. The Apr19 crude oil contract is up \$0.51 at \$57.30.

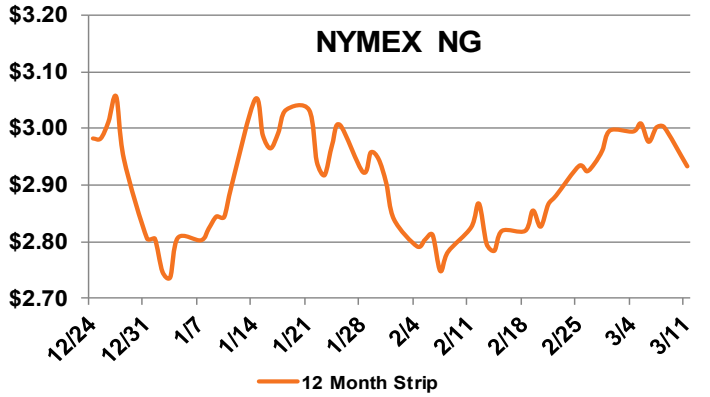
Summary: The natural gas market softened on Monday's trading, looking forward to lower demand and kinder temperatures on the horizon. The prompt month dropped nine cents to \$2.772, the 12-month strip sank seven cents to \$2.933, 2020 moved down 1.5 cents to \$2.762, and 2021 moved up a penny to \$2.653. Highly anticipated spring-like temperatures are expected to start making their way across the East Coast starting today and into the weekend, while overall normal temperatures for the country look to emerge in another ten days. Demand is looking to decrease in kind to be closer to last year's March average of around 85 Bcf/d over the next two weeks. Production has maintained its steady levels of 85-86 Bcf/d, which will hopefully allow for storage withdrawals to subside by the end of the month. Production within the Permian Basin, in particular, is continuing to press against its takeaway constraints around 9.0 Bcf/d, which will hopefully be increased over the course of this year with additional capacity down to Mexico and the Gulf Coast Express Pipeline.

Bullish Factors

- High LNG exports
- Higher demand
- Low storage levels

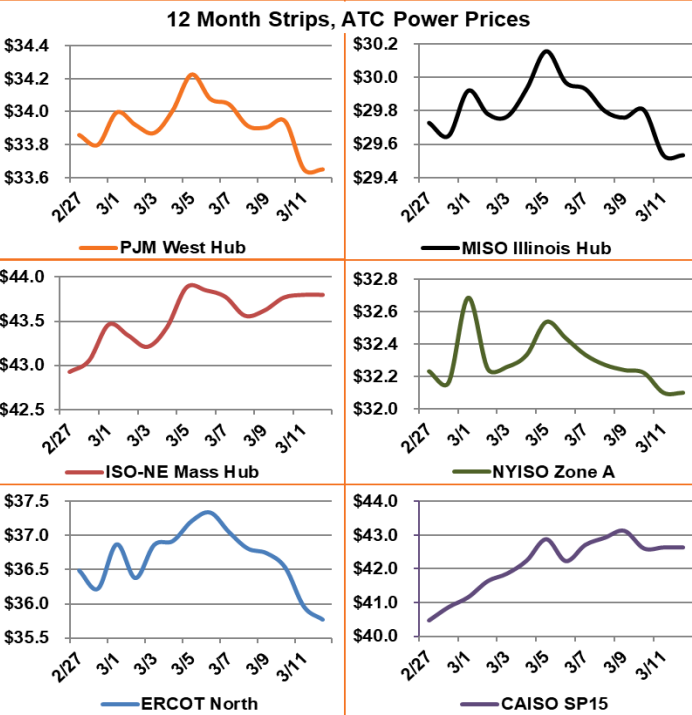
Bearish Factors

- Record NG production
- Higher associated gas production
- End of winter in sight



Next Day On-Peak Power (traded for 3/12/2019)

ISO-NE Mass Hub \$35.41	MISO Indiana Hub \$31.66	NYISO Zone G \$34.87
PJM West Hub \$32.34	ERCOT North \$25.50	CAISO SP15 \$36.13
NYMEX NG	Close	Change
Apr-19	2.772	-0.093
May-19	2.785	-0.085
12 Month	2.933	-0.069
Cal 20	2.653	0.010
Cal 21	2.655	0.015



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,390	1,539	1,633	1,854
Diff v. Current		-149	-243	-464
% Diff			-14.9%	-25.0%

