

Early Morning Update:

The Apr19 natural gas contract is trading up \$0.02 at \$2.81. The Apr19 crude oil contract is up \$0.13 at \$58.65.

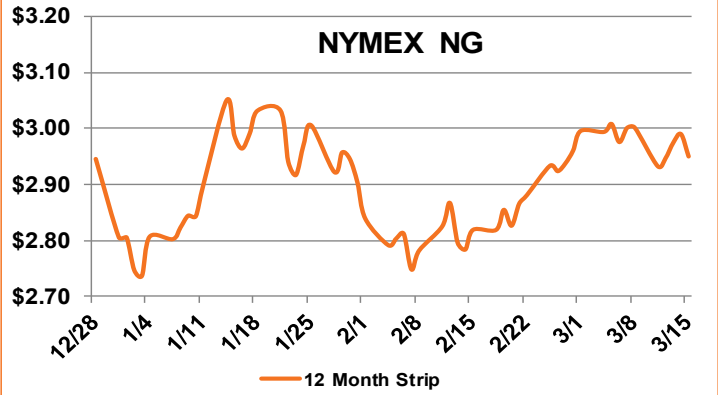
Summary: On Friday, April 2019 NYMEX natural gas futures fell 6.0 cents on the day to settle at \$2.795/MMBtu. This dip followed a bullish storage withdrawal of 204 Bcf, which was slightly more than double what we saw this time last year, as well as the 5-year average. This withdrawal continued to widen the storage deficit to historical benchmarks. Current estimates for the end-of-season storage inventory have risen slightly versus last week due to the warming temperatures, up to 1.09 Tcf, but is still the lowest on record since 2014. The frigid start to March caused demand to surge, once again surpassing the total U.S. demand for natural gas for the month over the past five years. Weather forecasts for the remaining two weeks of this month show the cold retreating, with warmer-than-normal temps once again dominating the eastern half of the country causing demand to fall. U.S. LNG and exports to Mexico have remained steady, and both exports are forecasted to increase significantly in 2019 due to pipeline projects to Mexico and LNG export facility project completions. Total U.S. dry production remains steady around 85 Bcf/d, and will need to increase significantly, as well, to meet the oncoming demand.

Bullish Factors

- High LNG exports
- Higher demand
- Low storage levels

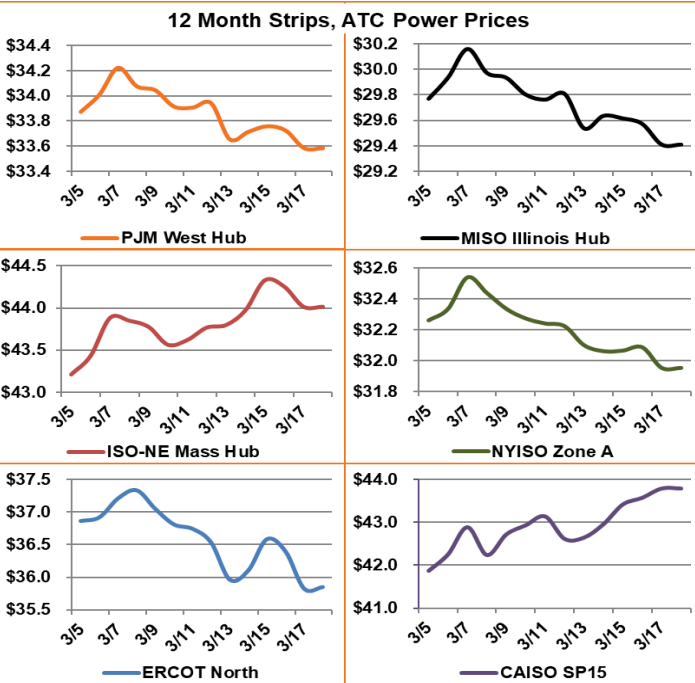
Bearish Factors

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



Next Day On-Peak Power (traded for 3/18/2019)

ISO-NE Mass Hub \$38.07	MISO Indiana Hub \$32.10	NYISO Zone G \$34.87
PJM West Hub \$36.50	ERCOT North \$38.00	CAISO SP15 \$34.13
NYMEX NG	Close	Change
Apr-19	2.795	-0.060
May-19	2.802	-0.058
12 Month	2.951	-0.040
Cal 20	2.654	-0.006
Cal 21	2.670	-0.001



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,186	1,390	1,545	1,755
Diff v. Current		-204	-359	-569
% Diff			-23.2%	-32.4%

