

**Early Morning Update:**

The Apr19 natural gas contract is trading flat to yesterday's close at \$2.75. The May19 crude oil contract is up \$1.18 at \$60.00.

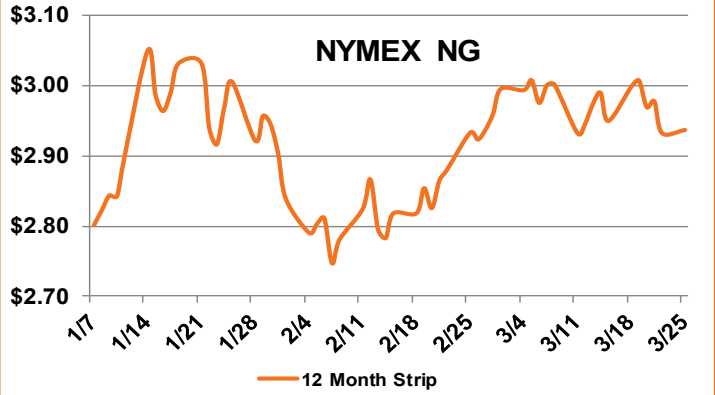
**Summary:** The market made little to no movement on Monday, as fundamentals remained relatively in balance with last week. All terms moved less than a cent, with the prompt month and 12-month strips ticking slightly up, and all other terms after March 2020 moving just a bit down. Coming off of the brand new record high production, supply moved down just a bit nationwide, but continued to surge in the Permian region, hitting a new high of 9.4 Bcf/d on Monday. This continues to put strain on transportation out of the region and exacerbates the low, sometimes even negative, local gas prices that result from the supply glut. Across the country, demand recovered slightly over the weekend and is expected to stay a bit elevated through the week as colder weather lingers in the midcontinent during the transition into April. Both East and West Coasts look to be slightly above normal during this time, so the overall effect on demand likely will remain minimal.

**Bullish Factors**

- High LNG exports
- Low storage levels
- Attention turning to summer

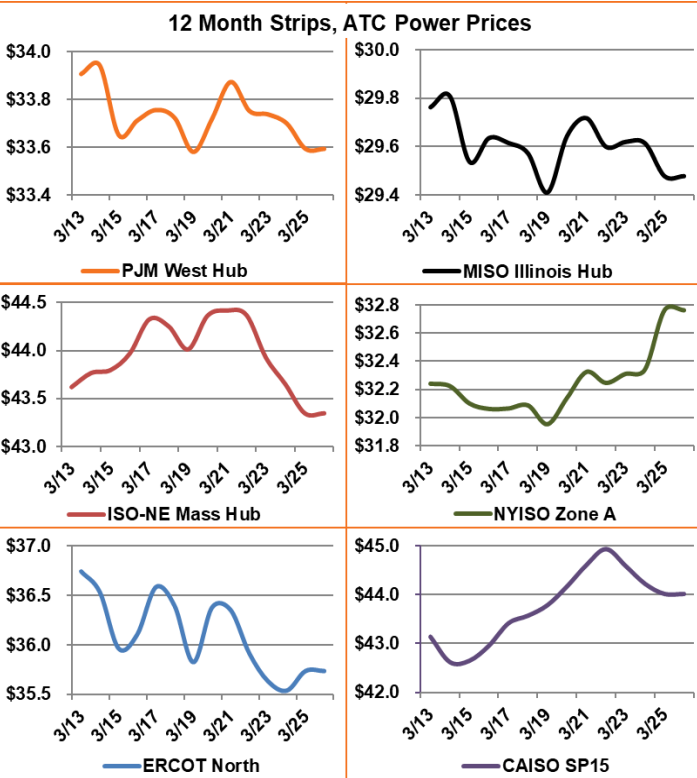
**Bearish Factors**

- Record NG production
- Higher associated gas production
- Warmer temps, declining demand



**Next Day On-Peak Power (traded for 3/26/2019)**

ISO-NE Mass Hub \$34.72	MISO Indiana Hub \$34.79	NYISO Zone G \$42.68
PJM West Hub \$34.15	ERCOT North \$43.47	CAISO SP15 \$32.26
NYMEX NG		Change
Apr-19	2.755	0.002
May-19	2.774	0.007
12 Month	2.938	0.005
Cal 20	2.658	-0.001
Cal 21	2.667	-0.001



**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,143	1,190	1,458	1,699
Diff v. Current		-47	-315	-556
% Diff			-21.6%	-32.7%

