

Early Morning Update:

The May19 natural gas contract is trading down \$0.01 at \$2.69. The May19 crude oil contract is up \$1.35 at \$60.65.

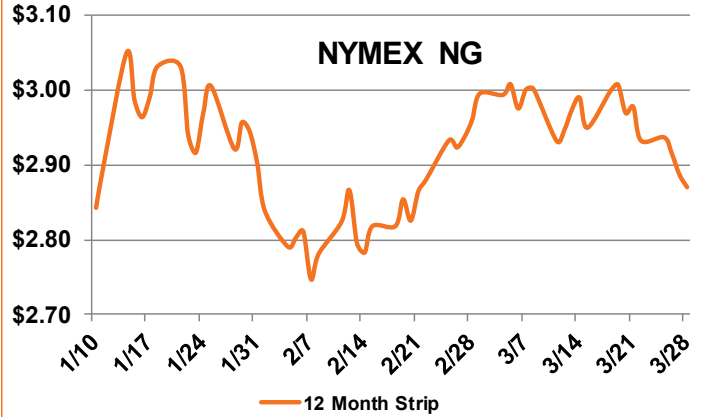
Summary: The EIA reported a draw from storage of 36 Bcf yesterday, slightly higher than expectations, but the market shrugged off the news and closed the day nearly flat at \$2.712. This draw looks to be the final draw of the year with an injections forecast for the following weeks. The market seems to be breathing a sigh of relief that storage didn't end up worse than it did. And with production growing and mild weather on tap, we appear to be in a period of low volatility. This is a departure from last spring when March and April were cold and withdrawals extended long into what is typically injection season. Early estimates for end/summer storage show increasing confidence of a recovering storage situation. Estimates call for ~3.5 Tcf and for that to happen, production will need to continue to grow. A milder summer than last year would also help.

Bullish Factors

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

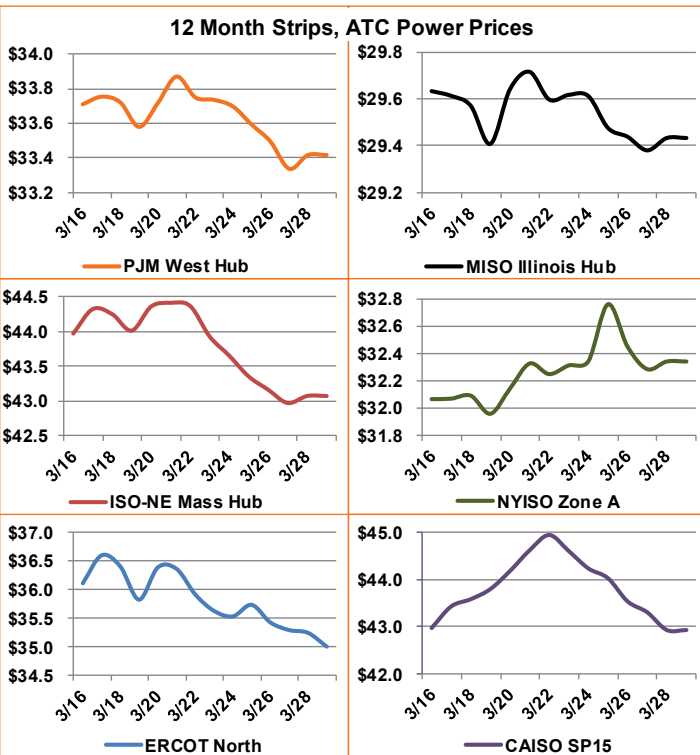
Bearish Factors

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



Next Day On-Peak Power (traded for 3/29/2019)

ISO-NE Mass Hub \$26.25	MISO Indiana Hub \$27.50	NYISO Zone G \$38.59
PJM West Hub \$25.51	ERCOT North \$23.61	CAISO SP15 \$16.50
NYMEX NG		Change
Apr-19	2.712	-0.007
May-19	2.761	-0.010
12 Month	2.871	-0.011
Cal 20	2.655	0.003
Cal 21	2.664	0.003



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,107	1,143	1,392	1,658
Diff v. Current		-36	-285	-551
% Diff			-20.5%	-33.2%

