

Early Morning Update:

The May19 natural gas contract is flat at \$2.67. The May19 crude oil contract is up \$0.14 at \$62.60.

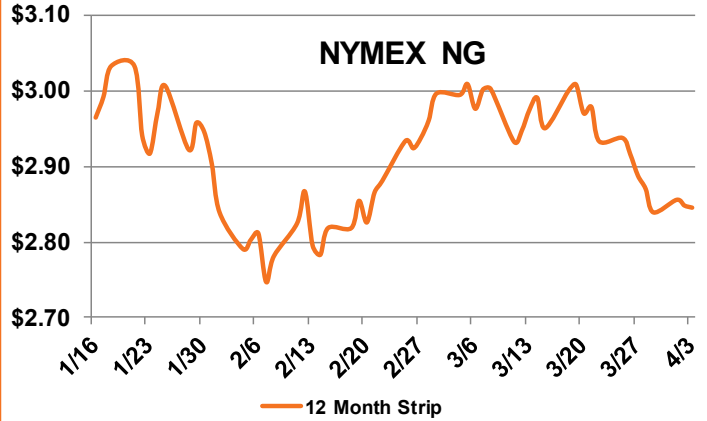
Summary: Trading was fairly quiet on Wednesday, with the May'19 contract drifting down a penny to close at \$2.677. This week marks the end of the 2018/19 winter season and based on the most recent EIA report, US storage dropped to 1,107 Bcf for the week ending March 22, which is the lowest level since 2014 and can be attributed to the below-average starting inventory and this winter's recurrent cold shots. The market is expecting a 13 Bcf injection when the EIA releases the weekly storage report later this morning, which would be the first injection of the season. Storage is currently ~515Bcf lower than the five-year average but that deficit is expected to decrease in the coming weeks as temperatures moderate across the U.S. The 6-10 and 8-14 day weather outlooks show seasonal near normal conditions across the Northeast, with the southern half of the country slightly above normal and the western portion of the country slightly below normal. Average temperatures are also on the rise, reducing gas demand, and allowing more gas to be placed in storage in the coming weeks. Projections for next week are showing a 30Bcf injection for the week ending April 5. Production has also been growing recently to 88Bcf/day, poised to set new records for U.S. production.

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 4/4/2019)

ISO-NE Mass Hub \$28.14	MISO Indiana Hub \$30.63	NYISO Zone G \$31.60
PJM West Hub \$28.44	ERCOT North \$19.92	CAISO SP15 \$33.54
NYMEX NG	Close	Change
May-19	2.677	-0.007
Jun-19	2.715	-0.007
12 Month	2.846	-0.003
Cal 20	2.670	0.007
Cal 21	2.676	0.006

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%

