

Early Morning Update:

The May19 natural gas contract is trading down \$.05 at \$2.61. The May19 crude oil contract is down \$0.69 at \$63.20.

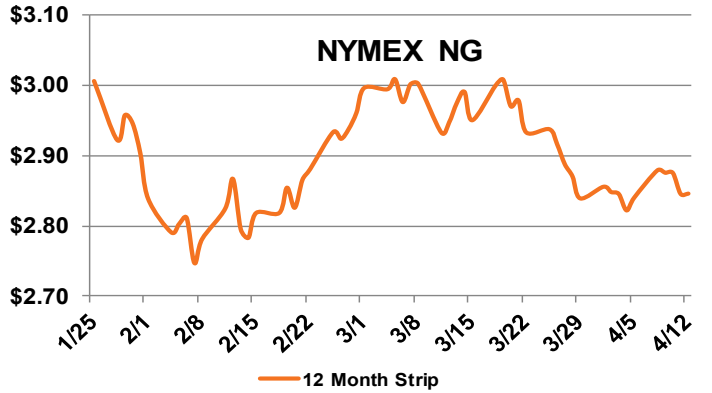
Summary: With total U.S. demand for natural gas projected to drop from 81.1 Bcf/d to 74.6 Bcf/d later this week, fundamentals are looking very bearish these days. Near-record production and mild temperatures are erasing any type of price support, and this was evident on Friday, with the prompt month edging just slight lower to \$2.66/MMBtu. In fact, longer terms were virtually unchanged day-over-day, with the 2020-2025 calendar strips all moving less than a penny, if at all. The storage situation looks much different than it did just a month ago, as well. There have been two injections so far this year, and the next three builds are estimated to be considerably greater than historical norms. Last year, withdrawals from natural gas stockpiles continued for another two weeks. The early jump on storage replenishment will completely erase the deficit to last year in two weeks, and the deficit to the five-year average should be significantly narrowed heading into next winter. Early summer forecasts show El Nino conditions persisting - warmer-than-normal temps for the Pacific Northwest, Northeast, and Atlantic Coast, with above-normal precipitation and cooler temps across Midcon and Texas.

Bullish Factors

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

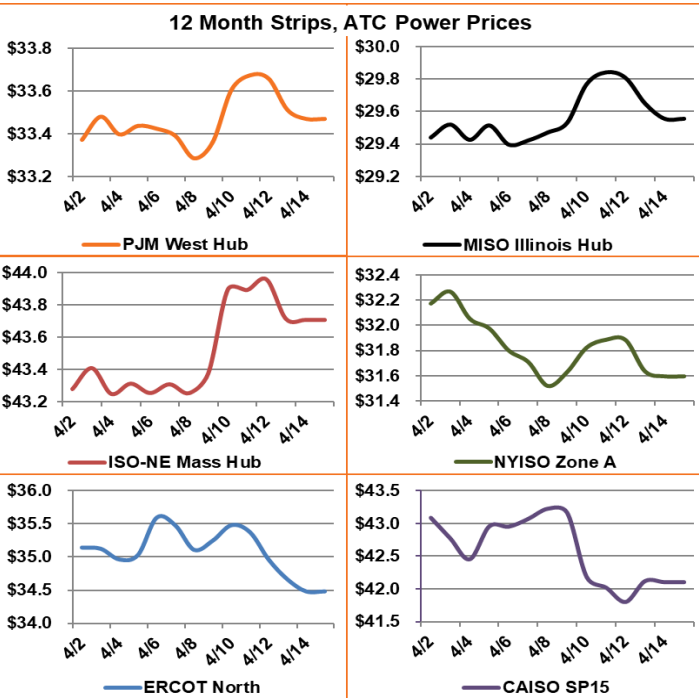
Bearish Factors

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



Next Day On-Peak Power (traded for 4/15/2019)

ISO-NE Mass Hub \$34.58	MISO Indiana Hub \$31.50	NYISO Zone G \$23.88
PJM West Hub \$30.93	ERCOT North \$23.34	CAISO SP15 \$26.10
NYMEX NG		
	Close	Change
May-19	2.660	-0.004
Jun-19	2.704	-0.004
12 Month	2.846	0.000
Cal 20	2.771	0.005
Cal 21	2.679	0.000



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,155	1,130	1,338	1,640
Diff v. Current		25	-183	-485
% Diff			-13.7%	-29.6%

