

**Early Morning Update:**

The May19 natural gas contract is trading down \$0.01 at \$2.56. The May19 crude oil contract is up \$0.33 at \$64.40.

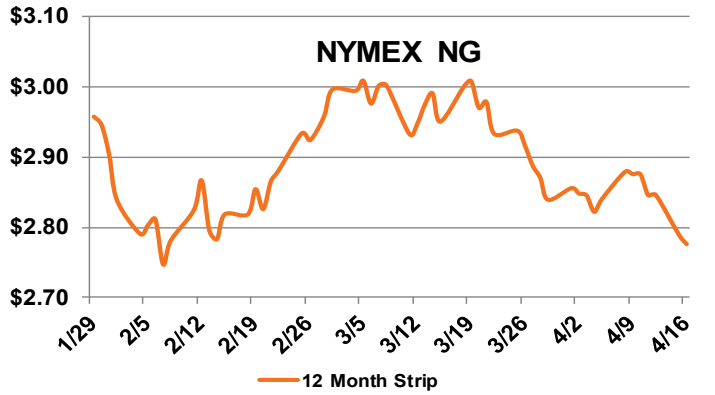
**Summary:** Tuesday proved to be another quiet day for NYMEX natural gas futures, as the prompt month contract lost 1.8 cents to close at \$2.572/MMBtu. Since making its debut as the prompt, the May 2019 contract has lost \$0.14 cents. With bearish conditions challenging the near-term, current prices could be close to the bottom, as some analysts believe prices could reach a \$2.50 floor. U.S. dry natural gas production has been steady, averaging 86.6 Bcf/d for the month of April, 8.0 Bcf/d higher than April 2018. Mild, spring-like temperatures are forecast for the foreseeable future, leading to even lower demand. As a result, the year-over-year storage deficit is expected to be erased over the next two weeks. Tomorrow's report from the U.S. Energy Information Administration is expected to be a ~95 Bcf injection, which compares to a 34 Bcf withdrawal reported this time last year. Calendar strip pricing was mostly unchanged yesterday, 2020-2023 are all between \$2.67 and \$2.75.

**Bullish Factors**

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

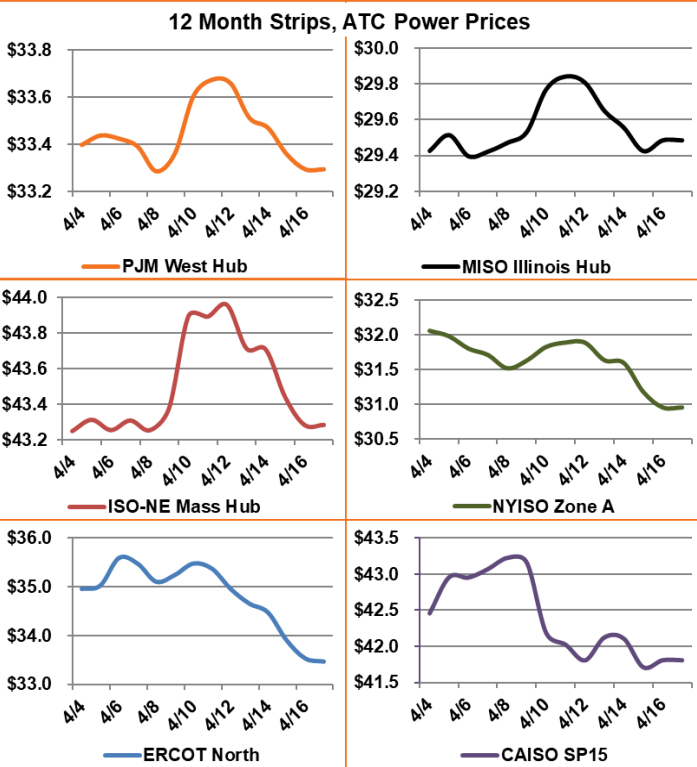
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 4/17/2019)**

<b>ISO-NE Mass Hub</b> \$31.68	<b>MISO Indiana Hub</b> \$30.63	<b>NYISO Zone G</b> \$37.33
<b>PJM West Hub</b> \$27.38	<b>ERCOT North</b> \$19.71	<b>CAISO SP15</b> \$28.89
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
<b>May-19</b>	2.572	-0.018
<b>Jun-19</b>	2.617	-0.016
<b>12 Month</b>	2.777	-0.013
<b>Cal 20</b>	2.740	-0.004
<b>Cal 21</b>	2.674	0.003



**EIA Natural Gas Storage**

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

