

Early Morning Update:

The Jun19 natural gas contract is trading up \$0.03 at \$2.60. The Jun19 crude oil contract is down \$0.51 at \$63.40.

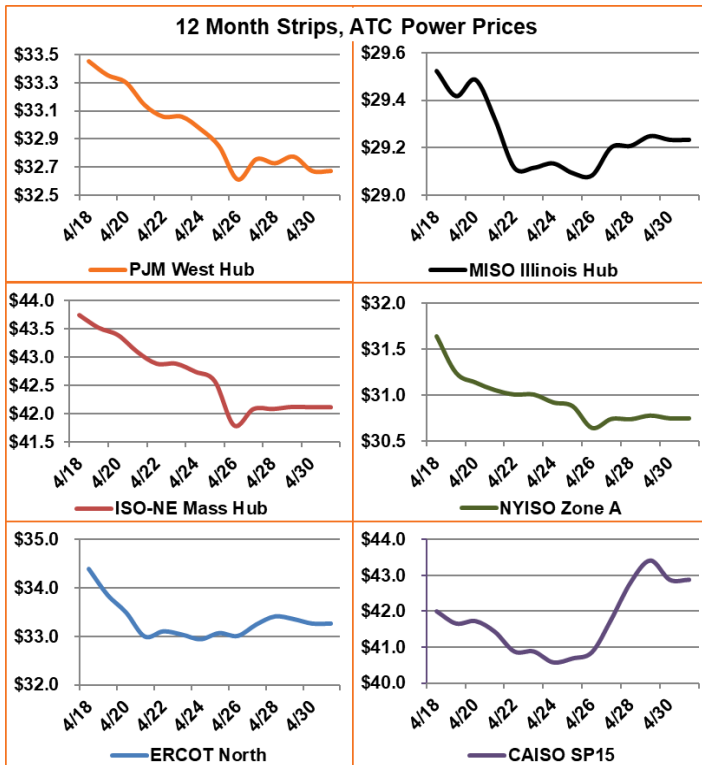
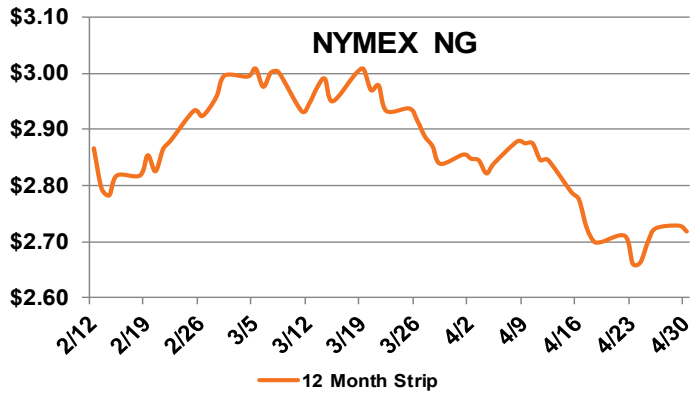
Summary: Tuesday saw near-term NYMEX pricing move slightly downward, as the prompt month fell 1.8 cents to close at \$2.575/MMBtu, and the 12-month strip followed suit, losing a penny to close at \$2.719/MMBtu. Most of the downward movement was in the upcoming summer months, as July lead the way, losing 2.3 cents. These small losses flipped following the 2019-2020 winter strip, as future calendar strips, starting with 2020, all gained half of a cent. After climbing above 87 Bcf/d for the weekend and coming close to the record mark of 87.6 Bcf/d on Monday, natural gas production fell 1.3 Bcf/d on Tuesday. This follows the trend from last week, when production remained above 87 Bcf/d over the weekend only to fall back to 86 Bcf/d as we moved into the week. Important to note, we are still producing over 8.0 Bcf/d more than we were in April 2018. Domestic demand was at a 7-day high on Tuesday, mostly driven by power burn and ResComm sectors in response to the cooler national temperatures.

Bullish Factors

- High LNG exports
- Below-average storage levels
- Attention turning to summer

Bearish Factors

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



Next Day On-Peak Power (traded for 5/1/2019)

ISO-NE Mass Hub \$28.15	MISO Indiana Hub \$34.69	NYISO Zone G \$27.38
PJM West Hub \$32.91	ERCOT North \$22.28	CAISO SP15 \$22.84
NYMEX NG		
	Close	Change
Jun-19	2.575	-0.018
Jul-19	2.617	-0.023
12 Month	2.720	-0.010
Cal 20	2.696	0.007
Cal 21	2.665	0.006

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,339	1,247	1,284	1,708
Diff v. Current		92	55	-369
% Diff			4.3%	-21.6%

