

**Early Morning Update:**

The Jun19 natural gas contract is trading down \$0.03 at \$2.59. The Jun19 crude oil contract is down \$1.50 at \$62.10.

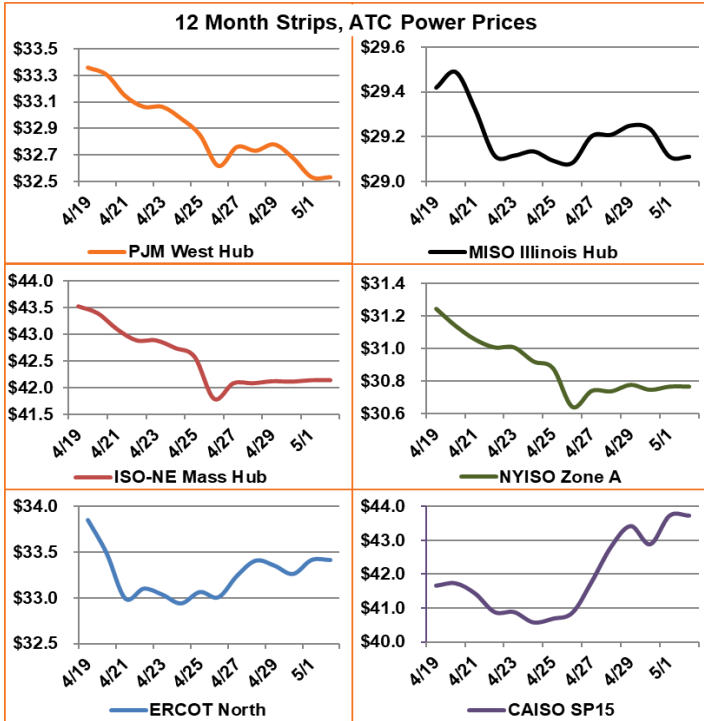
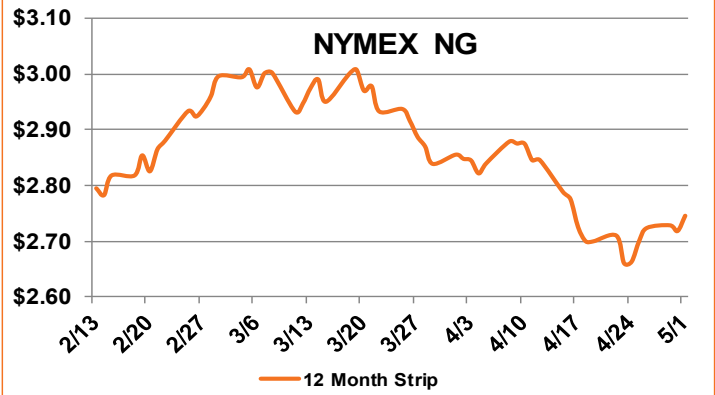
**Summary:** With the Northeast leading the way, U.S. dry production dropped 1.1 Bcf/d day-over-day to 85.7 Bcf/d today, down from a weekly high of 87.3 Bcf/d on Monday. Although total U.S. demand for natural gas is down slightly from yesterday, power burn has been averaging 28.0 Bcf/d so far this month, up 3.0 Bcf/d from last May and a record start for the month of May. NYMEX natural gas prices reacted bullishly yesterday, with the prompt month gaining 4.5 cents to settle at \$2.62/MMBtu. The market is anticipating the first triple-digit build of the year, as well as the seventh consecutive above-average storage injection to be reported by the U.S. Energy Information Administration this morning for the week to April 26. Storage replenishment is off to a strong start, getting a four-week head start compared to last year. Market estimates ranged from 87 to 127 Bcf for this week's report, with a consensus formed around a 118 Bcf injection. A build at consensus would increase the surplus to last year to 123 Bcf (9%), and further cut the deficit to the five-year average to 321 Bcf (18%).

**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 5/2/2019)**

ISO-NE Mass Hub \$30.30	MISO Indiana Hub \$39.78	NYISO Zone G \$26.75
PJM West Hub \$37.42	ERCOT North \$27.46	CAISO SP15 \$26.80
NYMEX NG	Close	Change
Jun-19	2.620	0.045
Jul-19	2.658	0.041
12 Month	2.747	0.027
Cal 20	2.707	0.011
Cal 21	2.667	0.002

**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%

