

Early Morning Update:

The Jun19 natural gas contract is trading down \$0.04 at \$2.53. The Jun19 crude oil contract is down \$0.74 at \$61.20.

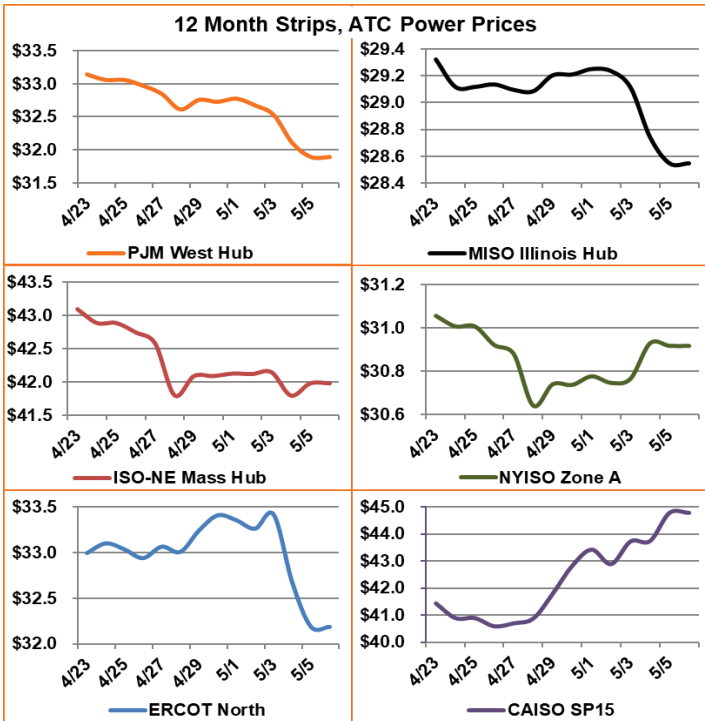
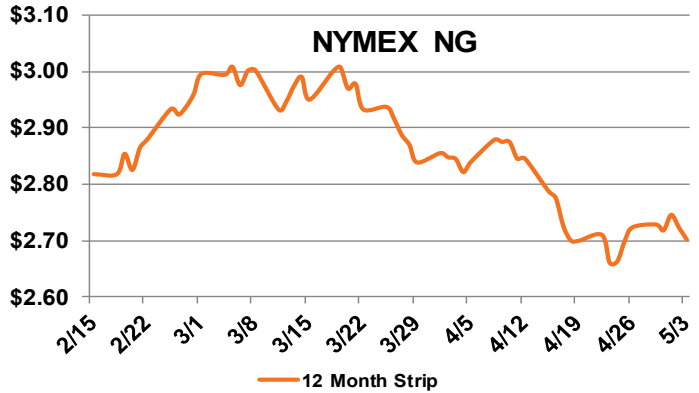
Summary: On Friday, the June 2019 NYMEX natural gas futures price continued its downward trend, falling two cents on the day to settle at \$2.567/MMBtu, almost exactly the same as the settle one week prior. The prompt month was rangebound throughout the day between \$2.553/MMBtu and \$2.611. Demand seems to be one of the main fundamentals causing downward pressure to near-term pricing, dropping 2.0 Bcf/d on Friday, mainly due to the power burn sector. As nuclear units return from their routine maintenance, demand for natural gas-fired generation takes a hit. Last week, the EIA reported a 123 Bcf injection into storage, setting a record as the first triple-digit injection ever recorded for the month of April. Weather forecasts show contained cooler-than-normal temperatures for the middle of the country, with warmer-than-normal to normal temperatures to either side along both coasts. It seems the lower demand pattern will continue for the next couple of weeks. Total U.S. dry production remains steady, hovering just under 87 Bcf/d, but still about 8 Bcf/d higher than in 2018.

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 5/6/2019)

ISO-NE Mass Hub \$28.18	MISO Indiana Hub \$27.76	NYISO Zone G \$27.11
PJM West Hub \$28.14	ERCOT North \$30.90	CAISO SP15 \$25.04
NYMEX NG	Close	Change
Jun-19	2.567	-0.022
Jul-19	2.600	-0.024
12 Month	2.704	-0.021
Cal 20	2.685	-0.019
Cal 21	2.637	-0.027

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,462	1,339	1,334	1,778
Diff v. Current		123	128	-316
% Diff			9.6%	-17.8%

