

Early Morning Update:

The Jun19 natural gas contract is trading up \$0.02 at \$2.54. The Jun19 crude oil contract is down \$0.65 at \$61.60.

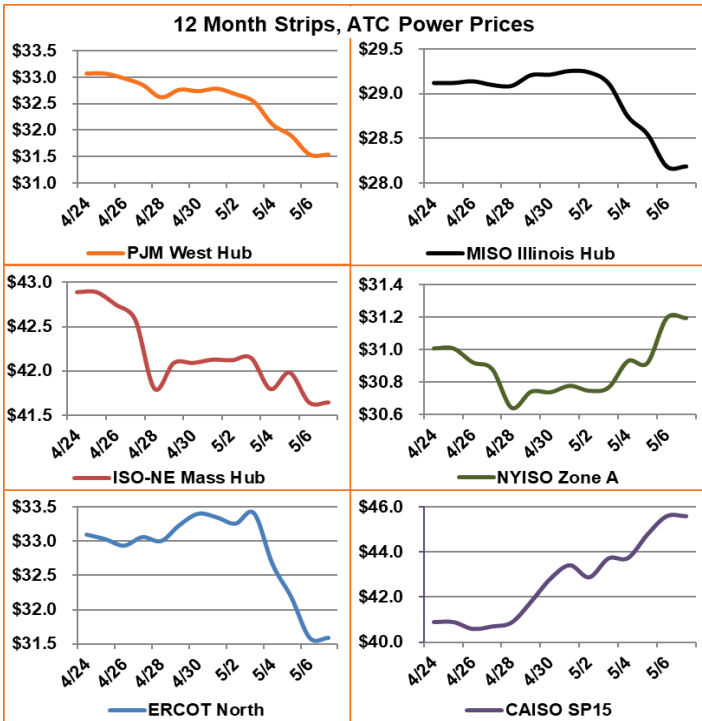
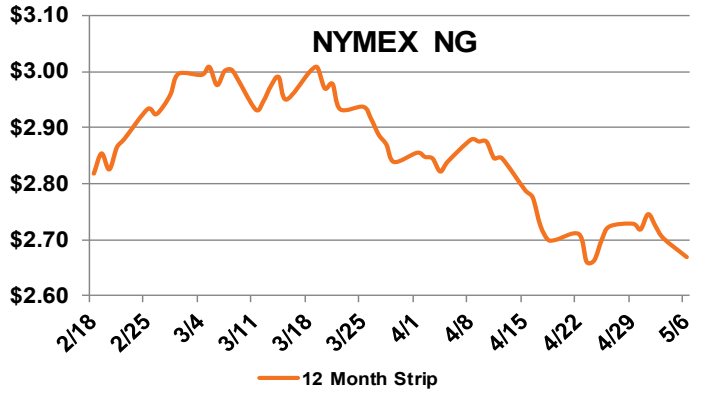
Summary: Weakness in the natural gas market continued yesterday, as all monthly contracts from June 2019 to December 2023 declined versus Friday's close. The prompt month lost four cents and settled at \$2.524/MMBtu, which is five cents lower week-over-week, 22 cents lower month-over-month, and three cents lower year-over-year. Q3 and the balance of 2019 also sank by nearly four cents, and, like the prompt month, they are both down six cents week-over-week, 25 cents month-over-month, and down a penny or so year-over-year. On average, the balance of 2019 monthly gas contracts are now six cents away from their February 2016 lows. Calendar strips 2020 through 2023 were largely quiet and unchanged day-over-day, yet they are still slightly lower week-over-week and month-over-month. Except for the CAISO, forwards in the power markets are down week-over-week as well. Most notably, eastern PJM is down about 80 cents for Q3-19 ATC, and ERCOT lost nearly \$5 for the same term. The last time the July-August 2019 ATC strip was this low in ERCOT, around \$70, was September of 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 5/7/2019)

ISO-NE Mass Hub \$25.95	MISO Indiana Hub \$28.80	NYISO Zone G \$28.00
PJM West Hub \$28.01	ERCOT North \$26.90	CAISO SP15 \$23.80
NYMEX NG		Change
Jun-19	Close 2.524	-0.043
Jul-19	2.560	-0.040
12 Month	2.670	-0.033
Cal 20	2.667	-0.018
Cal 21	2.635	-0.002

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%

