

Early Morning Update:

The Jun19 natural gas contract is trading down \$0.03 at \$2.58. The Jun19 crude oil contract is down \$0.32 at \$61.80.

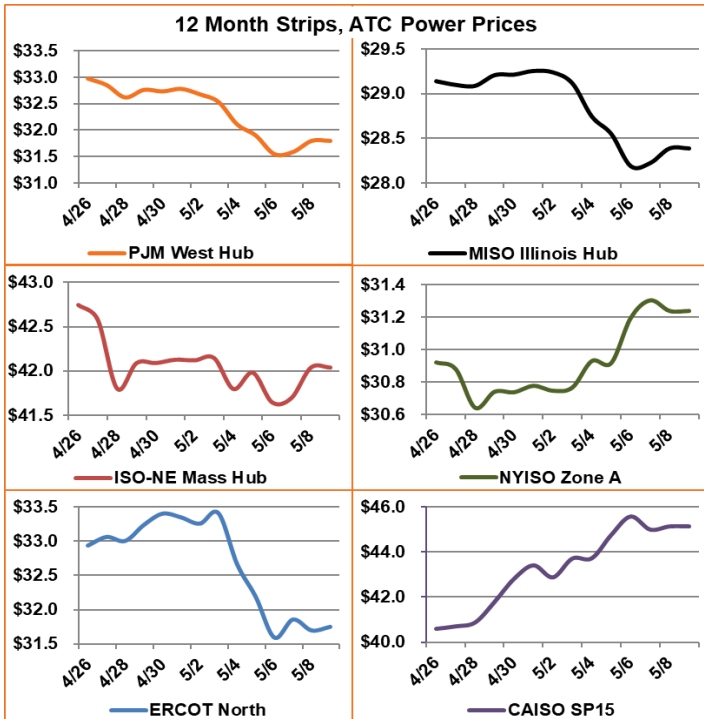
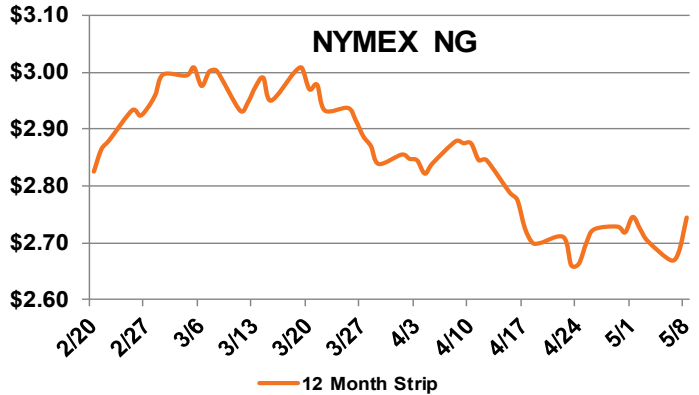
Summary: With U.S. dry production stumbling and demand for natural gas on the rise, the prompt month gained 7.3 cents yesterday, settling at \$2.61/MMBtu. The front of the NYMEX curve rose yesterday, with calendar strip 2020 up three cents and 2021 up less than a penny. However, everything beyond 2021 lost ground, but only slightly. Production is stagnant day-over-day at 86.3 Bcf/d, but down about 0.7 Bcf/d from a week ago. Meanwhile, U.S. demand has been steadily rising this week to 67.9 Bcf/d, up 4.0 Bcf/d since the weekend. The U.S. Energy Information Administration is expected to release the eighth bearish storage report in a row relative to the five-year average. A survey of market analysts points to an 86 Bcf growth in storage stockpiles in the week to May 3. This would continue the strong start to storage replenishment as we near summer, when injections usually taper off. An 86 Bcf build is right in line with last year's injection for the corresponding week, but a little higher than the 72 Bcf five-year average, helping to cut the deficit to the historical benchmark even further.

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 5/9/2019)

ISO-NE Mass Hub \$24.32	MISO Indiana Hub \$26.17	NYISO Zone G \$22.77
PJM West Hub \$25.23	ERCOT North \$32.02	CAISO SP15 \$26.76
NYMEX NG		
	Close	Change
Jun-19	2.610	0.073
Jul-19	2.646	0.073
12 Month	2.746	0.059
Cal 20	2.714	0.031
Cal 21	2.642	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%

