

Early Morning Update:

The Jun19 natural gas contract is trading up \$0.01 at \$2.60. The Jun19 crude oil contract is up \$0.12 at \$61.82.

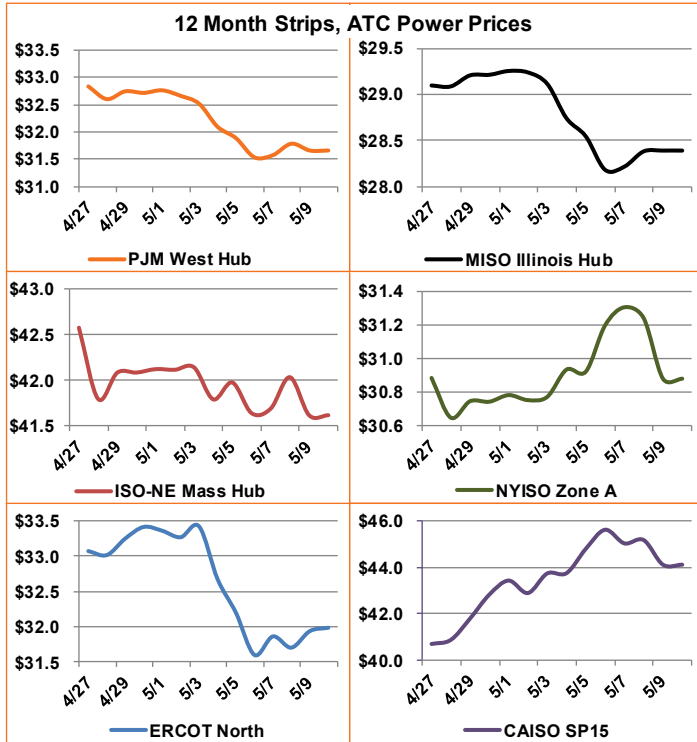
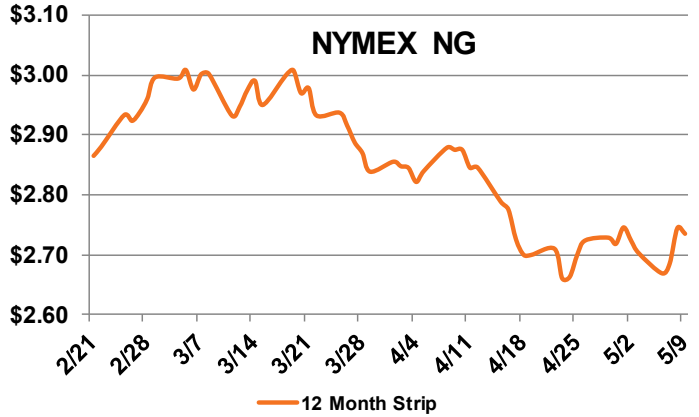
Summary: Yesterday the NYMEX NG market ticked lower after a move higher on Wednesday. Prices for the prompt month moved down by \$.015 to close at \$2.595. Since the prompt traded below \$2.50 in late April, the prompt month has been grinding higher. The moves have been very small but it shows how difficult it has been for the market to sustain trading below \$2.50. On the storage front, the EIA reported a build into storage of 85 Bcf, near estimates. The market showed very little reaction to the report. Longer term prices again finished basically unchanged. With the exception of California, power markets have also been quiet as low index pricing has prevented moves higher, but general concern about the upcoming summer and the following winter keep prices from moving lower. Looking ahead, weather forecasts are not showing extreme temperatures for the balance of May, a promising sign as we head towards summer.

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 5/10/2019)

ISO-NE Mass Hub \$26.27	MISO Indiana Hub \$26.75	NYISO Zone G \$25.62	
PJM West Hub \$26.48	ERCOT North \$23.15	CAISO SP15 \$24.92	
NYMEX NG		Close	Change
Jun-19		2.595	-0.015
Jul-19		2.631	-0.015
12 Month		2.736	-0.009
Cal 20		2.713	-0.001
Cal 21		2.645	0.003

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,547	1,462	1,419	1,850
Diff v. Current		85	128	-303
% Diff			9.0%	-16.4%

