

**Early Morning Update:**

The Jun19 natural gas contract is trading down \$0.01 at \$2.61. The Jun19 crude oil contract is up \$0.94 at \$62.60.

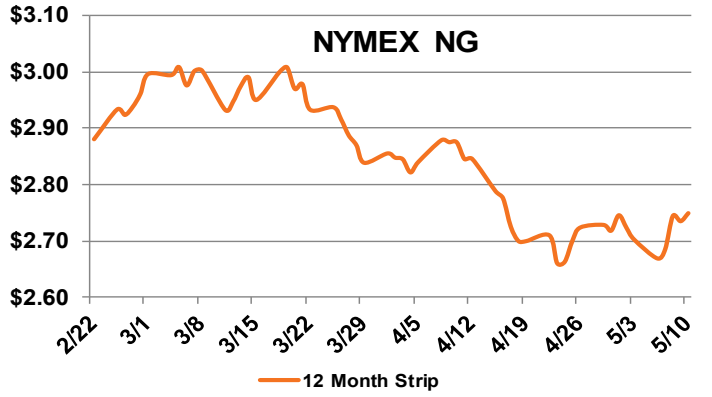
**Summary:** On Friday, the June 2019 NYMEX natural gas futures price pushed slightly higher, up 2.4 cents on the day to settle at \$2.619. The remaining months of this year also saw a slight uptick to prices. Total U.S. dry production continues to hold strong, averaging just over 86 Bcf/d, and is about 8.0 Bcf/d higher than this time last year. Steady production has helped close the deficit to historical benchmarks, coupled with diminished demand for this time of the year. Exports to Mexico and LNG remain steady, as well, just over 4.0 Bcf/d higher than in 2018, and are expected to continue to climb through the end of this year. Cameron LNG train 1 is forecast to start ramping up this week, estimated to be in service in June. Another project with an expected June start is the Sur de Texas pipeline (2.6 Bcf/d capacity) bringing supply to downstream demand in Mexico. Weather forecasts have warmed over the weekend for the East, Midwest, and Texas. In the 6-10 day outlook, cooler-than-normal temperatures creep into the western half of the country, while the East remains slightly above normal. It seems the warmer temps will remain along the East Coast through the end of this month, which could put upward pressure on natural gas prices if the heat continues into June.

**Bullish Factors**

- High LNG exports
- Below-average storage levels
- Attention turning to summer

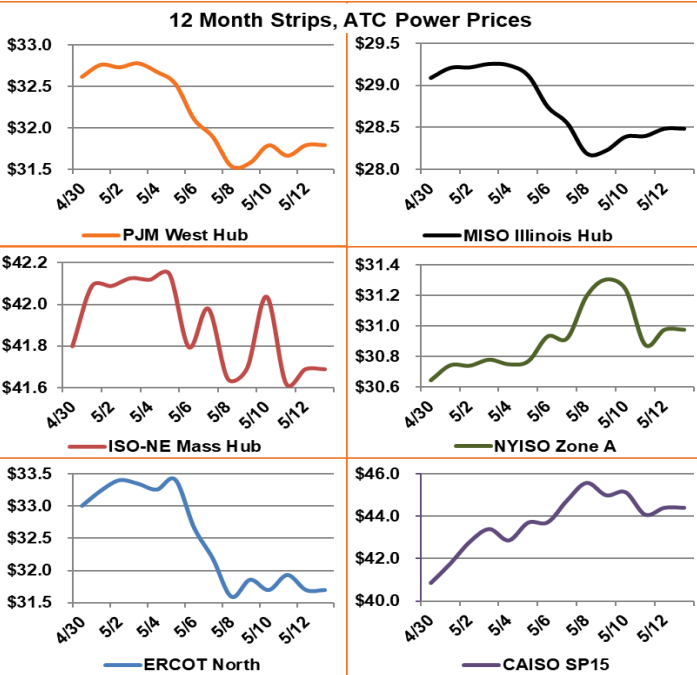
**Bearish Factors**

- Record NG production
- Higher associated gas production
- Mild temps, declining demand



**Next Day On-Peak Power (traded for 5/13/2019)**

ISO-NE Mass Hub \$27.70	MISO Indiana Hub \$27.00	NYISO Zone G \$25.35
PJM West Hub \$25.46	ERCOT North \$30.70	CAISO SP15 \$25.38
NYMEX NG		Change
Jun-19	2.619	0.024
Jul-19	2.655	0.024
12 Month	2.751	0.014
Cal 20	2.715	0.001
Cal 21	2.636	-0.009



**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%

