

**Early Morning Update:**

The Jun19 natural gas contract is trading up \$0.04 at \$2.66. The Jun19 crude oil contract is up \$0.56 at \$61.60.

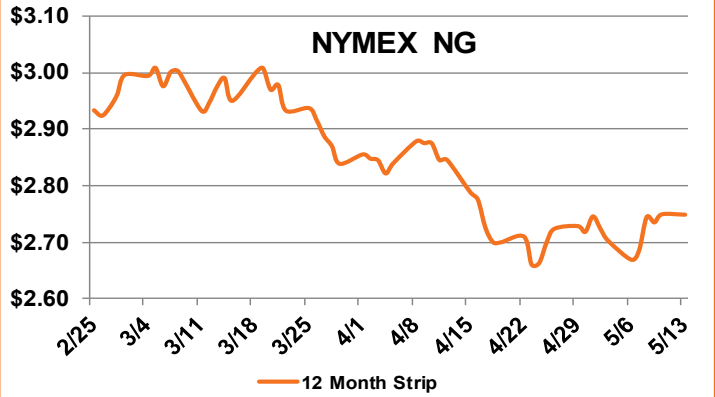
**Summary:** Throughout yesterday, most of the monthly natural gas contracts within the 12 and 24-month strips gained less than a penny from their settlements last Friday. These same contracts have grown stronger as of this morning, opening the day's activity nearly three cents higher than the settlement levels from yesterday. The June contract is currently trading at \$2.66, 12 cents higher than a week ago. The Q3-19 strip is up nearly the same amount week-over-week at \$2.70, and the same is true for the balance of the year contracts at \$2.75. Calendar strips 20, 21, 22, and 23 have not experienced the same volatility as the near-term contracts; they neither gained nor lost more than a penny over the last week. Current price levels are still well below the monthly settlements from the past two years. Despite the strength in the near-term gas market, Q3 strips in the power markets have weakened week-over-week. The biggest summer week-over-week loser was ERCOT, which is down nearly \$7 on-peak after the bearish CDR and SARA reports were released. Most other power markets across the country are down about 50 cents around-the-clock for the upcoming summer. Much like the gas market, longer terms calendar strips for power haven't moved much since last week, losing or gaining less than a quarter.

**Bullish Factors**

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

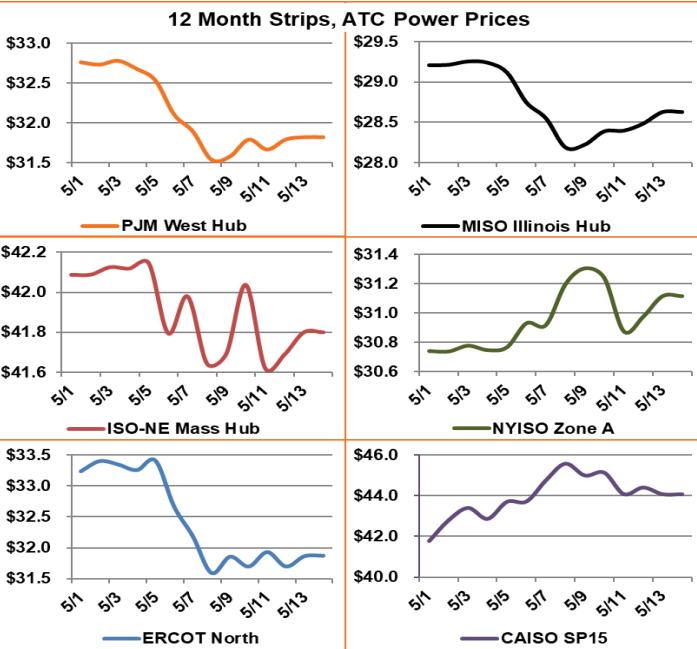
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 5/14/2019)**

ISO-NE Mass Hub \$29.08	MISO Indiana Hub \$30.26	NYISO Zone G \$25.73
PJM West Hub \$26.56	ERCOT North \$26.32	CAISO SP15 \$25.69
NYMEX NG		Change
Jun-19	2.621	0.002
Jul-19	2.653	-0.002
12 Month	2.750	-0.001
Cal 20	2.718	0.003
Cal 21	2.639	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%

