

Early Morning Update:

The Jun19 natural gas contract is trading up \$0.02 at \$2.62. The Jun19 crude oil contract is up \$1.17 at \$63.19.

Summary: Yesterday saw a drop in NYMEX NG prices, with the prompt month falling \$.058 to close at \$2.601. The market had been grinding higher after briefly trading below \$2.50 in late April. The \$2.50 level has proved to be stubborn support level, with the market having trouble sustaining trading below that level. Weather forecasts are coming to agreement in showing above average temps in the southeast and below average temps in the pacific northwest through the balance of May. The pattern doesn't show extreme temps and the long-term forecasts aren't calling for extreme temps for the balance of summer in the most densely populated areas of the country. Long-term forecasts can be inaccurate so we'll have to see how they actualize.

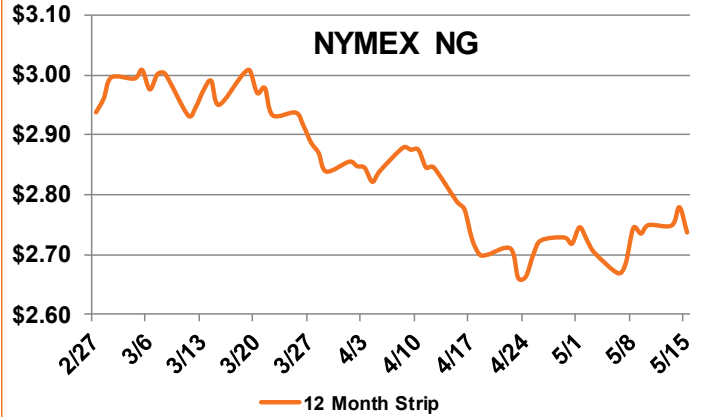
Because the morning report is late today, we can report that the EIA announced a build of 106 Bcf into storage, roughly in line with expectations.

Bullish Factors

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

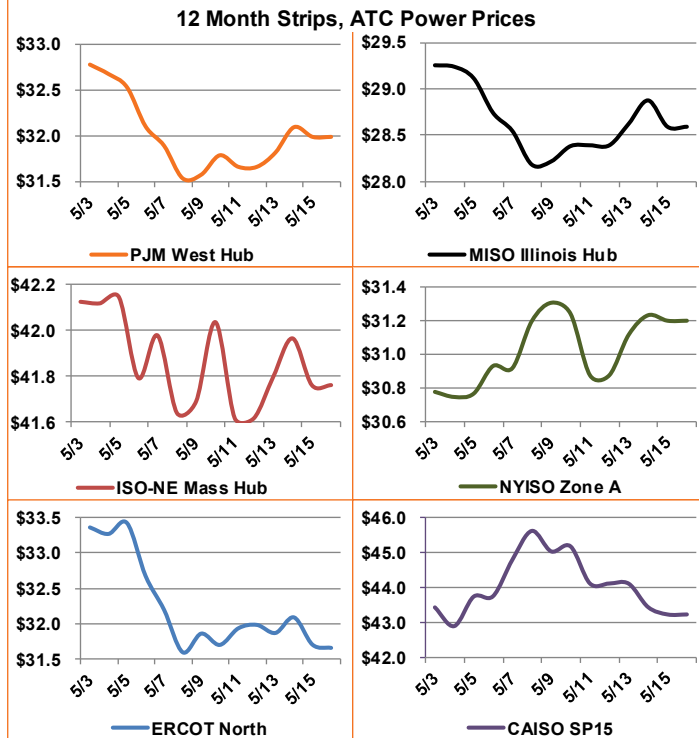
Bearish Factors

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



Next Day On-Peak Power (traded for 5/16/2019)

ISO-NE Mass Hub \$24.16	MISO Indiana Hub \$29.85	NYISO Zone G \$24.65
PJM West Hub \$27.40	ERCOT North \$28.32	CAISO SP15 \$24.40
NYMEX NG		Change
Jun-19	2.601	-0.058
Jul-19	2.634	-0.055
12 Month	2.738	-0.042
Cal 20	2.723	-0.016
Cal 21	2.653	0.002



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,653	1,547	1,523	1,939
Diff v. Current		106	130	-286
% Diff			8.5%	-14.7%

