

**Early Morning Update:**

The Jun19 natural gas contract is trading up \$0.02 at \$2.66. The Jun19 crude oil contract is up \$0.38 at \$63.25.

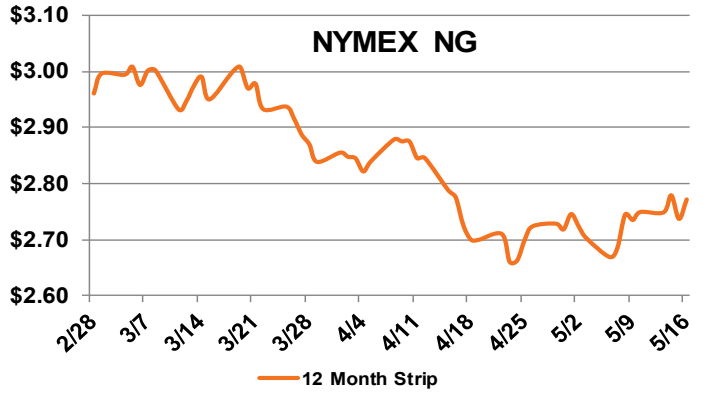
**Summary:** On the heels of warmer weather forecasts for the coming weeks, the prompt month natural gas contract showed strength in trading yesterday, gaining 3.8 cents to settle at \$2.639/MMBtu. In fact, all of the summer months, June through September, rose by the same amount, 3.8 cents, except July, which rose four cents. The bullishness was only evident at the front of the NYMEX curve, with 2020 rising 2.3 cents, and all calendar strips after 2020 moving up or down less than a penny. The market seemed to shrug off the ninth straight better-than-normal storage report issued by the U.S. Energy Information Administration yesterday, that showed an addition of 106 Bcf into natural gas inventories in the week to May 10. This was two Bcf better than both the consensus of market estimates and the injection seen for the same week last year, and 17 Bcf greater than the 89 Bcf five-year average. The surplus to last year didn't change much, currently 8.5%, while the deficit to the five-year average was cut to 14.7%. Storage levels are now projected to be 3,670 Bcf heading into next winter, less than a 2% deficit to the five-year average.

**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 5/17/2019)**

ISO-NE Mass Hub \$24.87	MISO Indiana Hub \$31.83	NYISO Zone G \$23.37
PJM West Hub \$29.88	ERCOT North \$22.05	CAISO SP15 \$16.09
NYMEX NG		Change
Jun-19	2.639	0.038
Jul-19	2.674	0.040
12 Month	2.773	0.035
Cal 20	2.747	0.023
Cal 21	2.659	0.005

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%

