

Early Morning Update:

The Jun19 natural gas contract is trading up \$0.04 at \$2.67. The Jun19 crude oil contract is down \$0.11 at \$62.65.

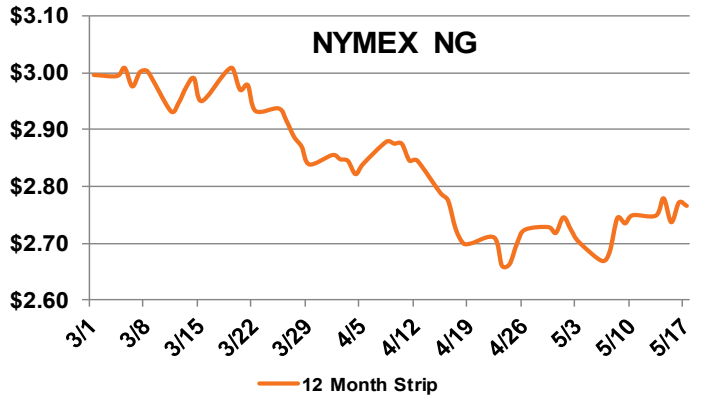
Summary: On Friday, the Jun19 NYMEX natural gas futures price dipped slightly, down 0.8 cents on the day to settle at \$2.631/MMBtu. The remaining months of the year also saw a slight dip, but nothing significant. The upcoming winter pricing seems to be holding its premium as we head into this summer, even as the storage situation improves. For the tenth week in a row, the EIA reported an injection that has exceeded the five-year average. A key fundamental that has pushed demand higher has been U.S. power burn levels, which have continued to increase since the beginning of this month. Year-over-year power burns are up just over 1.0 Bcf/d, and total U.S. demand for natural gas is up almost 3.0 Bcf/d versus last year at this time. Total U.S. dry production has been steady, averaging just under 87 Bcf/d. Yesterday, Columbia Gas Transmission reported that there was an operational event at the Markwest Salem Plant that has impacted deliveries and reduced production into the pipeline. Weather-than-normal weather forecasts for the East Coast, a major demand center for natural gas, are expected to linger through the start of June. This could mean an early start to this summer and bolstered cooling demand.

Bullish Factors

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

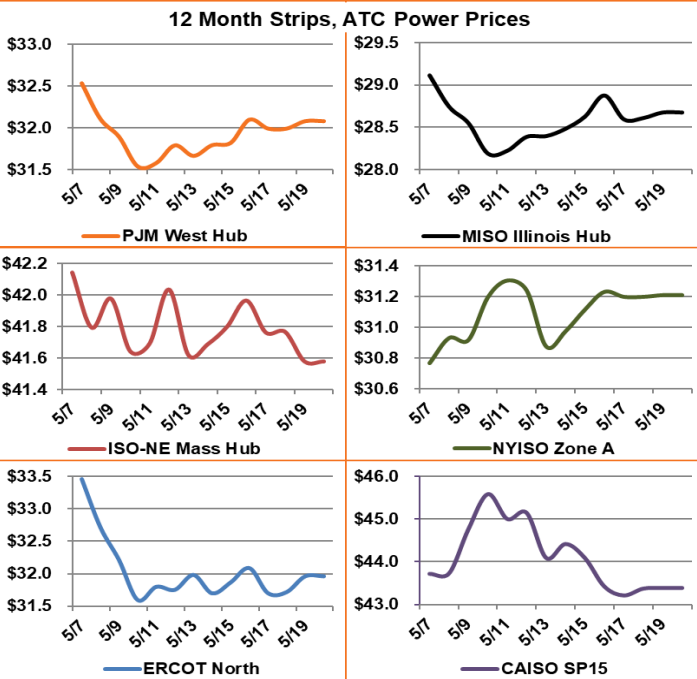
Bearish Factors

- Record NG production
- Higher associated gas production
- Mild temps



Next Day On-Peak Power (traded for 5/20/2019)

ISO-NE Mass Hub \$29.96	MISO Indiana Hub \$26.35	NYISO Zone G \$27.48
PJM West Hub \$35.89	ERCOT North \$24.84	CAISO SP15 \$16.16
NYMEX NG		
Close	Change	
Jun-19	2.631	-0.008
Jul-19	2.664	-0.010
12 Month	2.767	-0.006
Cal 20	2.744	-0.003
Cal 21	2.661	0.003



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%

