

**Early Morning Update:**

The Jun19 natural gas contract is trading down \$0.03 at \$2.58. The Jun19 crude oil contract is down \$0.93 at \$62.20.

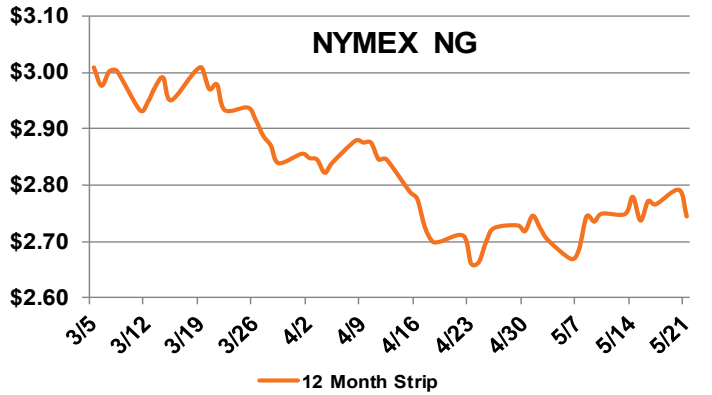
**Summary:** The natural gas market moved down during trading yesterday, more than erasing the gains from Monday's session. The prompt month June contract had the most movement, falling six cents to close at \$2.613/MMBtu. The movement was fairly consistent throughout the remaining months of the year, as the balance of the 2019 strip lost 5.6 cents to close at \$2.704/MMBtu, and the 12-month strip lost 4.7 cents, settling at \$2.746/MMBtu. Looking out further, the downward trend fizzled beyond the 2020 calendar strip, which fell 2.4 cents as the months further out showed little movement. Natural gas production has rebounded back to the recent normal range of holding near to above 86.5 Bcf/d from the recent low of 84.5 Bcf/d set on Sunday. On the demand side, the power burn sector leads the way and is up 1.2 Bcf/d over where it was last year at this time.

**Bullish Factors**

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

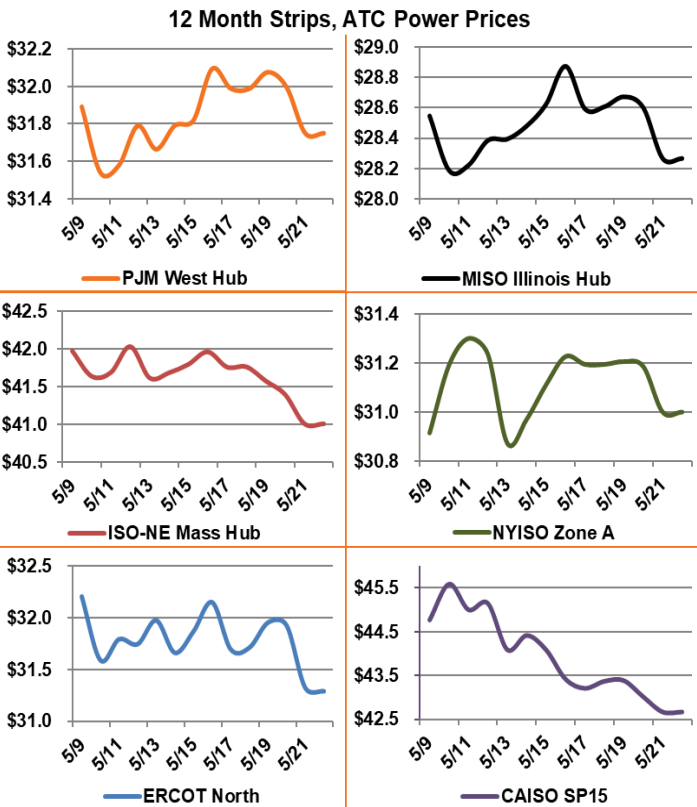
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 5/22/2019)**

ISO-NE Mass Hub \$24.65	MISO Indiana Hub \$25.97	NYISO Zone G \$27.44
PJM West Hub \$26.11	ERCOT North \$22.71	CAISO SP15 \$17.75
<b>NYMEX NG</b>		
<b>Jun-19</b>	<b>Close</b> 2.613	<b>Change</b> -0.060
<b>Jul-19</b>	2.641	-0.058
<b>12 Month</b>	2.746	-0.047
<b>Cal 20</b>	2.727	-0.024
<b>Cal 21</b>	2.663	-0.003



**EIA Natural Gas Storage**

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

