

**Early Morning Update:**

The Jun19 natural gas contract is trading up \$0.02 at \$2.56. The Jul19 crude oil contract is down \$1.82 at \$59.60.

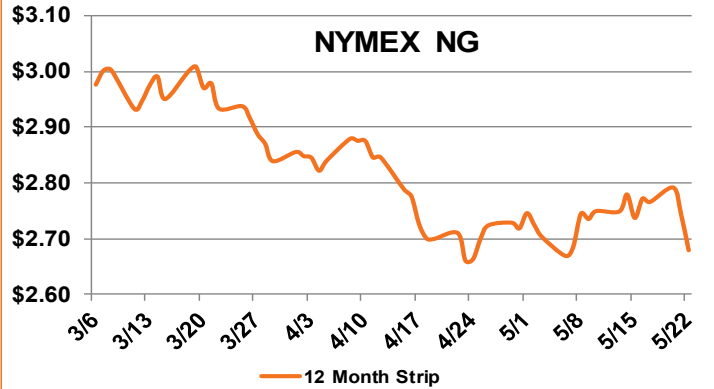
**Summary:** Weather forecasts continue to show a significant warm-up along the East Coast that will extend through the end of the month. This heat did not warm up natural gas prices, though, as the prompt month fell seven cents to settle at \$2.543/MMBtu. The 12-month strip lost about two cents, settling at \$2.72, while forward calendar strips beyond 2020 showed very little movement. The 2020 calendar strip lost almost four cents, closing out at \$2.69. An estimated triple-digit injection into storage of 110 Bcf for the week ending May 23 awaits us, which further improves the storage situation, with this recent injection being almost 14% higher than last year's build at this time. Yesterday's natural gas production reached 88.6 Bcf/d, which represented a healthy increase from the recent low of 84.5 Bcf/d set on Sunday. The continued above-normal storage injections are a positive sign as we approach summer with increased heating demand coming into play and the associated tapering of storage replenishment.

**Bullish Factors**

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

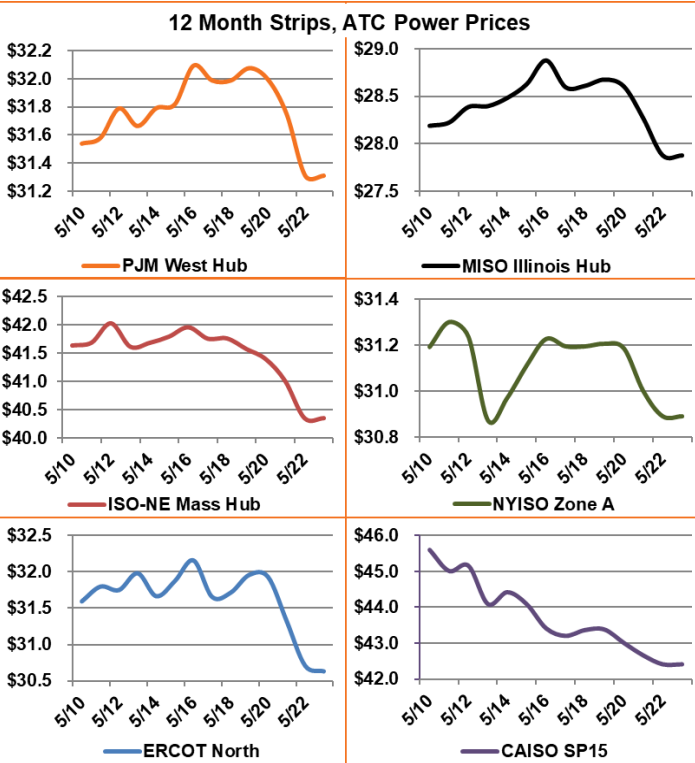
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 5/23/2019)**

ISO-NE Mass Hub \$25.41	MISO Indiana Hub \$33.88	NYISO Zone G \$24.84
PJM West Hub \$31.35	ERCOT North \$22.76	CAISO SP15 \$19.82
NYMEX NG		Change
Jun-19	2.543	-0.070
Jul-19	2.559	-0.082
12 Month	2.681	-0.065
Cal 20	2.691	-0.036
Cal 21	2.645	-0.019



**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%

