

Early Morning Update:

The Jun19 natural gas contract is trading down \$0.01 at \$2.56. The Jul19 crude oil contract is up \$0.70 at \$58.61.

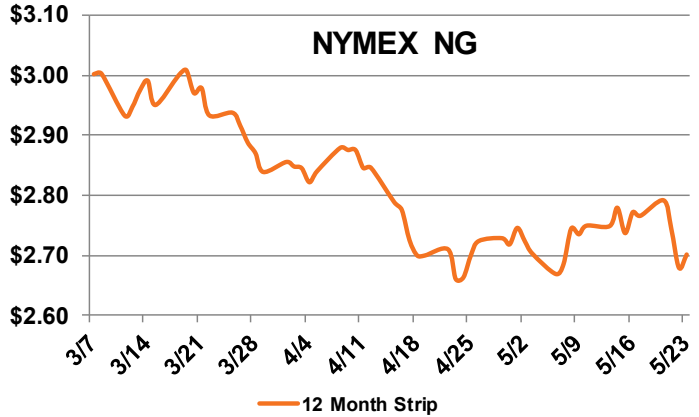
Summary: The NYMEX NG prompt month contract traded higher by \$.035 to finish the day at \$2.578. The market moved up slightly on a storage report that was just slightly below expectations. The big news in the energy complex was the large drop in crude oil prices with the prompt contract falling \$3.51. The concern around falling crude prices would be that drilling activity in the Permian basin could drop, and NG production would fall along with it. Rising oil inventories and concerns about the economic impacts of the US-China trade war are causing ripples through the crude markets. NG and crude prices were once closely correlated and often moved in similar directions, but now there is very little correlation, and sometimes it is even inverse. On the power side, index markets continue to be very weak across the board as cheap gas and the absence of extreme weather has pressured demand. We're approaching summer and demand will surely increase

Bullish Factors

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

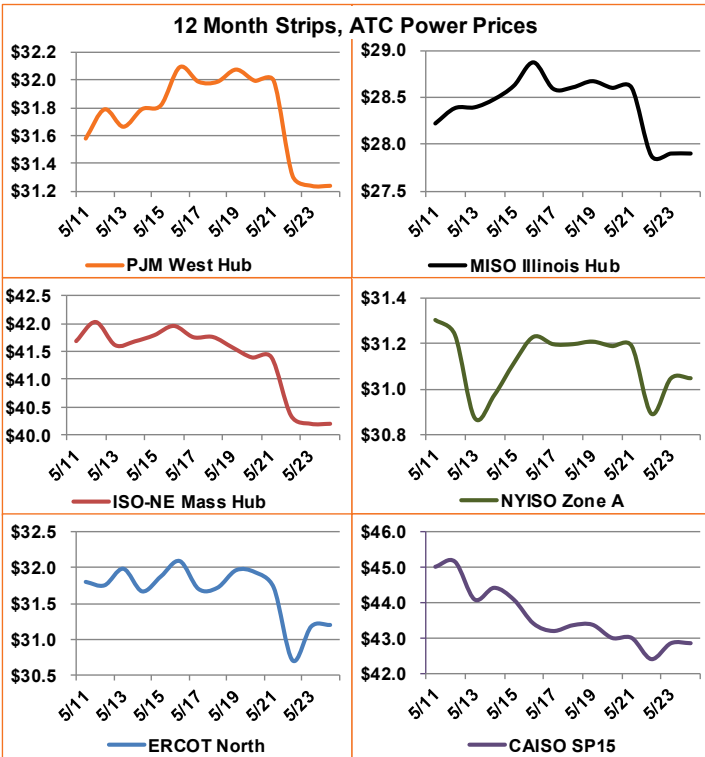
Bearish Factors

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



Next Day On-Peak Power (traded for 5/24/2019)

ISO-NE Mass Hub \$24.35	MISO Indiana Hub \$28.94	NYISO Zone G \$23.75
PJM West Hub \$27.83	ERCOT North \$22.74	CAISO SP15 \$12.71
NYMEX NG		Change
Jun-19	2.578	0.035
Jul-19	2.592	0.033
12 Month	2.703	0.022
Cal 20	2.698	0.008
Cal 21	2.655	0.010



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,753	1,653	1,616	2,027
Diff v. Current		100	137	-274
% Diff			8.5%	-13.5%

