

Early Morning Update:

The Jun19 natural gas contract is trading up \$0.04 at \$2.62. The Jul19 crude oil contract is down \$1.74 at \$57.40.

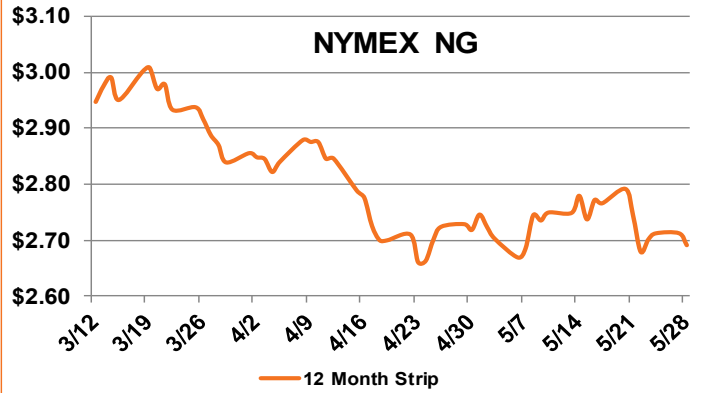
Summary: On it's second-to-last trading day, the Jun19 prompt month settled at \$2.582/MMBtu yesterday, after trading in a range of \$2.535/MMBtu to \$2.613/MMBtu. Averaging just shy of 87 Bcf/d for May, U.S. dry natural gas production showed signs of recovery over the weekend, setting a new record high. According to Bentek, domestic dry natural gas production reached just over 88 Bcf/d on Sunday, May 26. Moreover, May 2019 production has averaged 8% higher than May 2018. On the demand side, total demand (including exports) this month has averaged 7% higher than May 2018. National weather outlooks were revised slightly cooler yesterday. The 6-10 day National Weather Service outlook predicts cooler-than-normal temperatures for the Northeast. The 8-14 day outlook predicts cooler temperatures in both the Great Lakes and Southeast, while the rest of the country is expected to be warmer-than-normal. The June 2019 NYMEX natural gas contract will expire today.

Bullish Factors

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

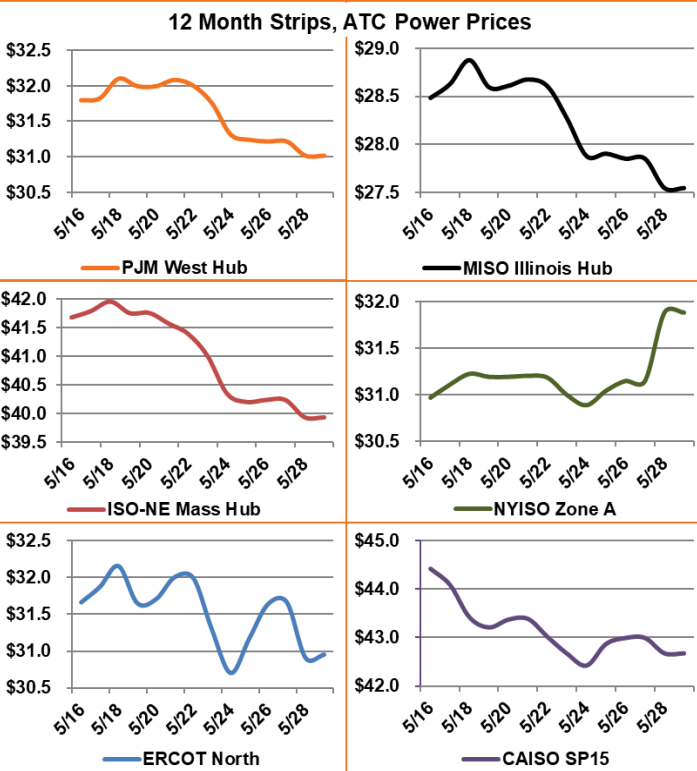
Bearish Factors

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



Next Day On-Peak Power (traded for 5/29/2019)

ISO-NE Mass Hub \$25.84	MISO Indiana Hub \$31.53	NYISO Zone G \$24.55
PJM West Hub \$34.79	ERCOT North \$27.00	CAISO SP15 \$21.28
NYMEX NG		
Jun-19	Close	Change
2.582	2.582	-0.016
2.584	2.584	-0.027
2.692	2.692	-0.021
2.687	2.687	-0.011
2.665	2.665	0.002



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%

