

Early Morning Update:

The Jul19 natural gas contract is trading down \$0.01 at \$2.40. The Jul19 crude oil contract is down \$0.78 at \$52.70.

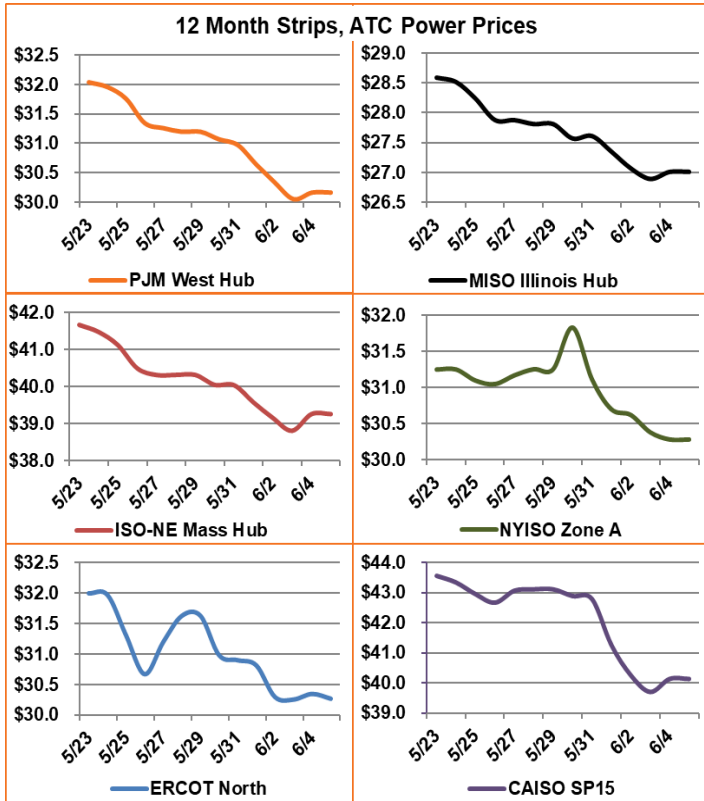
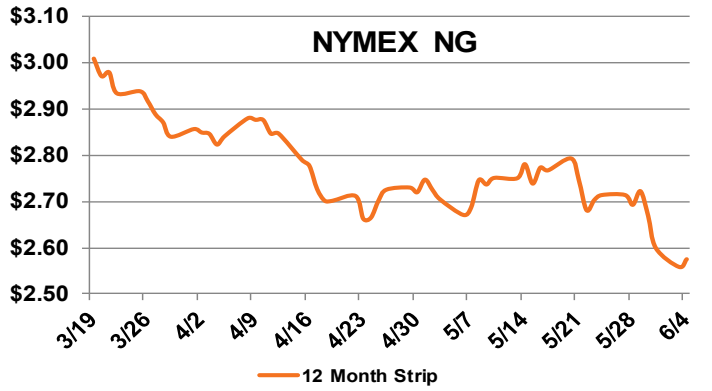
Summary: After a steady march down over the past couple of days that saw the July prompt month NYMEX contract trading as low as \$2.381/MMBtu, natural gas pricing settled slightly up following yesterday's trading session. The prompt month gained 1.3 cents to close at \$2.416/MMBtu, with the 12-month strip following suit as it gained 1.7 cents to close at 2.575/MMBtu. The 2020 calendar strip also gained a penny and half to get to \$2.631, but beyond that, the upward pressure was muted, as the successive calendar strips all gained less than a cent. While production has eased back to around 86 Bcf/d after setting an all-time high of 88.1 Bcf/d last week, it is still 7.5 Bcf/d higher than this time last year. Looking ahead, tomorrow's storage report is expected to be larger than both last year and the 5-year average. If these expectations are met, this will mark the 12th report in a row that has cut into the 5-year average deficit.

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 6/5/2019)

ISO-NE Mass Hub	\$26.70	MISO Indiana Hub	\$29.25	NYISO Zone G	\$24.53
PJM West Hub	\$29.29	ERCOT North	\$27.84	CAISO SP15	\$28.39
NYMEX NG		Close	Change		
Jul-19	2.416	0.013			
Aug-19	2.419	0.016			
12 Month	2.575	0.017			
Cal 20	2.631	0.014			
Cal 21	2.639	0.009			

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,867	1,753	1,711	2,124
Diff v. Current		114	156	-257
% Diff			9.1%	-12.1%

