

Early Morning Update:

The Jul19 natural gas contract is trading down \$0.02 at \$2.36. The Jul19 crude oil contract is up \$0.37 at \$52.05.

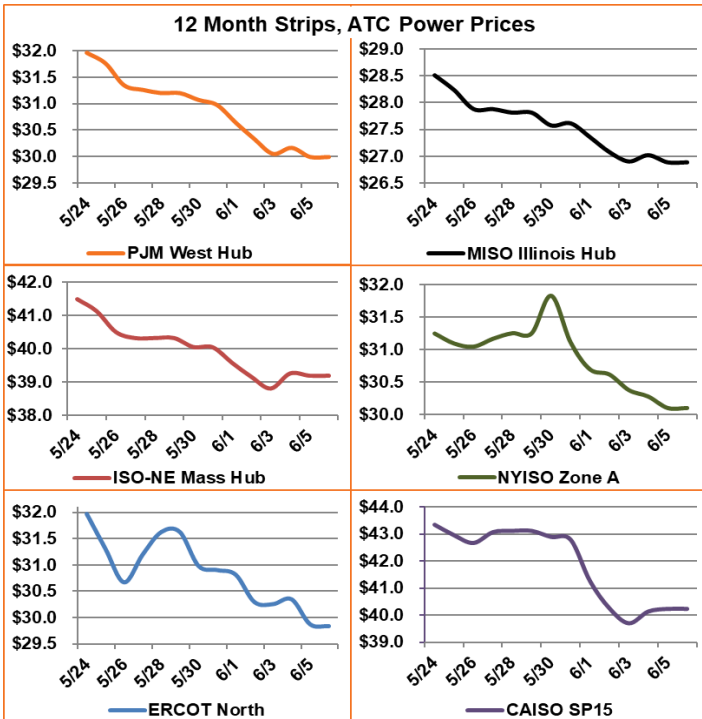
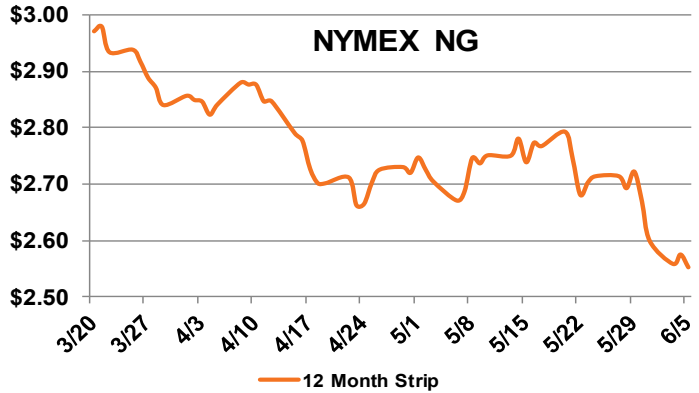
Summary: Forecasted near-term heat in the Midcon region is short-lived, as below-normal temperatures roll in within the next ten days. On the contrary, warmer-than-normal conditions are anticipated on the West Coast within the next ten days, which will linger through the second half of the month. The market continues to react to the bearish fundamentals, which can be seen in yesterday's Jul19 prompt month contract closing out at \$2.378/MMBtu. This is 3.8 cents lower than the previous day's close of \$2.416. Forward calendar strips through 2024 remained mostly flat with this news, but are still near 3-year lows. Injections into storage continue to impress the market, with 11 straight injections trumping the 5-year average. According to Bentek Energy, the U.S. Energy Information Administration is expected to report a 116 Bcf storage build for the reporting week to May 31. This would continue the streak of higher-than-anticipated injections, and further pare down the deficit to the five-year average benchmark.

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 6/6/2019)

ISO-NE Mass Hub \$22.47	MISO Indiana Hub \$30.10	NYISO Zone G \$26.80
PJM West Hub \$31.26	ERCOT North \$26.25	CAISO SP15 \$21.49
NYMEX NG	Close	Change
Jul-19	2.378	-0.038
Aug-19	2.380	-0.039
12 Month	2.552	-0.023
Cal 20	2.630	-0.001
Cal 21	2.635	-0.003

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%

