

Early Morning Update:

The Apr19 natural gas contract is trading down \$0.05 at \$2.69. The May19 crude oil contract is up \$0.01 at \$59.95.

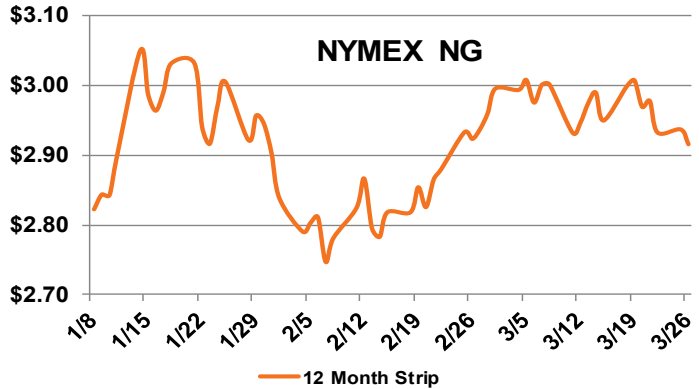
Summary: NYMEX continued its calm streak through Tuesday, as the prompt month natural gas contract and 12-month strip both moved down about a penny and a half to close at \$2.74/MMBtu and \$2.916/MMBtu, respectively. Beyond the near term, the 2020 and 2021 calendar strips both remained flat and backwardated, with movement measured in the hundredths, closing at \$2.762/MMBtu and \$2.659/MMBtu. The April contract will expire as the prompt month today, with May rolling into the lead spot on Thursday. Yesterday, production climbed back near its record high from the weekend to 87.7 Bcf/d and is expected to fall about 1.0 Bcf/d today, with the reductions spread across multiple regions. With the timely transition to spring temperatures, tomorrow's EIA Natural Gas Storage Report is projected to show the last withdrawal for the season, currently estimated at 28 Bcf. If projections hold, this will have us entering the injection season a month earlier than last year, albeit at a sizable deficit of 166 Bcf.

Bullish Factors

- High LNG exports
- Low storage levels
- Attention turning to summer

Bearish Factors

- Record NG production
- Higher associated gas production
- Warmer temps, declining demand



Next Day On-Peak Power (traded for 3/27/2019)

ISO-NE Mass Hub \$31.52	MISO Indiana Hub \$30.81	NYISO Zone G \$44.73
PJM West Hub \$32.00	ERCOT North \$25.86	CAISO SP15 \$30.66
NYMEX NG		Change
Apr-19	2.740	-0.015
May-19	2.751	-0.023
12 Month	2.917	-0.021
Cal 20	2.660	0.002
Cal 21	2.669	0.002

EIA Natural Gas Storage				
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,143	1,190	1,458	1,699
Diff v. Current		-47	-315	-556
% Diff			-21.6%	-32.7%

