

Early Morning Update:

The Aug19 natural gas contract is trading down \$0.01 at \$2.31. The Aug19 crude oil contract is up \$0.19 at \$59.62.

Summary: Yesterday the NYMEX NG market continued it's slow creep higher after finishing up \$.056 to close at \$2.324. While the market is still very low, the prompt month is up 7% since last Friday. Power markets continue to be weak as low index pricing has caused pricing to be lower.

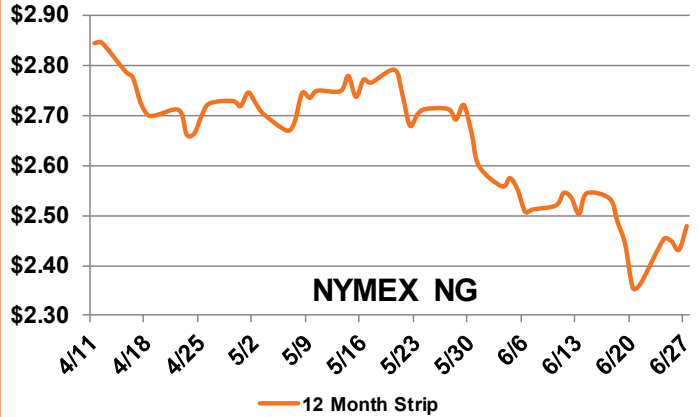
The move higher in NG was helped by the slightly disappointing storage report. The EIA reported a build into storage of 98 Bcf and while this was higher than last year (+71) and the 5-year average (+70), it was a few Bcf lower than most estimates. Even so, the deficit to the 5-year average continued to drop and now stands at a mere 171 Bcf. On March 8, the deficit was 565 Bcf so we've come a long way towards a healthier storage situation. The deficit is forecast to continue to shrink with the estimated builds of the next few weeks and may flip to a surplus by fall, weather dependent.

Bullish Factors

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

Bearish Factors

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



Next Day On-Peak Power (traded for 6/28/2019)

ISO-NE Mass Hub \$28.13	MISO Indiana Hub \$34.00	NYISO Zone G \$29.84
PJM West Hub \$35.63	ERCOT North \$21.03	CAISO SP15 \$19.11
NYMEX NG		
	Close	Change
Aug-19	2.324	0.056
Sep-19	2.298	0.054
12 Month	2.479	0.033
Cal 20	2.550	0.013
Cal 21	2.601	-0.004

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,301	2,203	2,065	2,472
Diff v. Current		98	236	-171
% Diff			11.4%	-6.9%

