



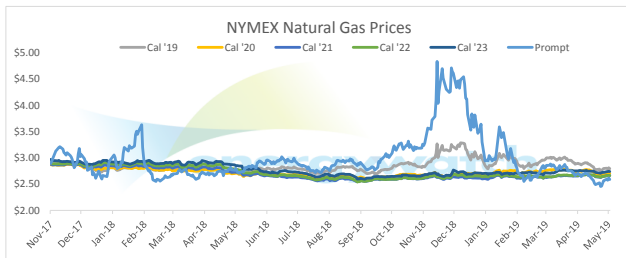
Week Ending: 5/2/2019

Weekly Update:

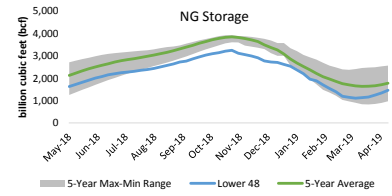
Front month natural gas traded on the NYMEX closed yesterday at \$2.589/MMBtu. Stockpiles increased by 123 bcf, increasing the total natural gas in storage to 1,462 bcf from 1,339 bcf last week. Market estimates ranged from 109 to 121 bcf for the week ending 4/26. With approximately 26 weeks left in the injection season, the current storage level is just 33.4% of its total capacity and 17.8% below the five-year average but 9.6% above this same week last year. "For the 22nd consecutive month, dry natural gas production increased year to year for the month" (EIA). The United States continues as a net exporter with net imports at -130 bcf, -4.6 bcf/d, in February.

EIA's *Natural Gas Monthly* report stated that the natural gas consumption level in February of this year was estimated at 2,985 bcf or 106.6 bcf/d, which is 10.5% higher than the 2,701 bcf consumed in February of 2018 (EIA). The February 2019 consumption level reached the highest it has ever been since the EIA began "using the current definitions for consuming sectors" in 2001. Recent temperatures have been in line with historical weather so energy prices have not been volatile the past few weeks.

Natural gas pricing plays a key role in electricity power pricing due to the increasing reliance on natural gas fired generators as nuclear, coal, and oil generation is retired and mothballed. As the marginal unit of generation, gas prices are directly correlated to power pricing (more so in some regions such as NYC vs. others such as parts of PJM). We keep an eye on natural gas market fundamentals in order to provide insights into forward power pricing for our clients. Gas production is expected to continue to grow, however, there is speculation that demand growth will outpace supply primarily due to LNG and Mexican exports and increased power burn, presenting upside risk to power pricing in the future.

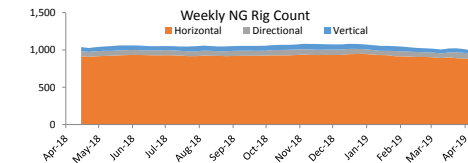


Natural Gas Storage	
Week Ending 4/26/2019	
Current Week Stocks (bcf)	1,462
Previous Week Stocks (bcf)	1,339
Implied Net Change (bcf)	123
Expected Net Change (bcf)	115
Variance (bcf)	8
Year-Ago Stocks (bcf)	1,334
Variance vs Prev. Year (%)	9.6%
5-Year Average (bcf)	1,778
Variance vs 5-YR Avg (%)	-17.8%

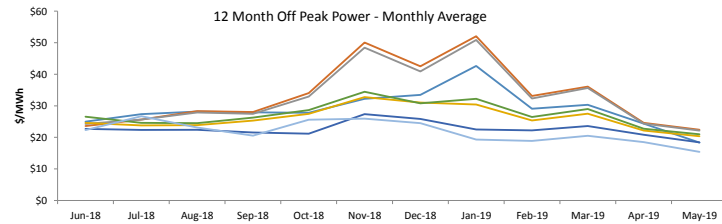
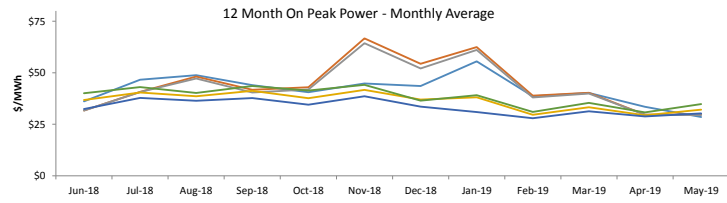


	\$/MMBtu	W-o-W Δ	Y-o-Y Δ
Prompt Month	\$2.589	0.5%	-5.1%
12-Month	\$2.711	-0.6%	-2.3%
24-Month	\$2.696	0.0%	-1.1%
Cal 19	\$2.787	-0.4%	3.6%
Cal 20	\$2.696	0.3%	0.6%
Cal 21	\$2.663	0.3%	-1.5%
Cal 22	\$2.664	0.2%	-3.3%

Week Ending:	4/26/2019	W-o-W Δ
Oil Rigs	805	-2.4%
Gas Rigs	186	-0.5%
Vertical	47	-7.8%
Horizontal	873	-1.5%
Directional	71	-5.3%



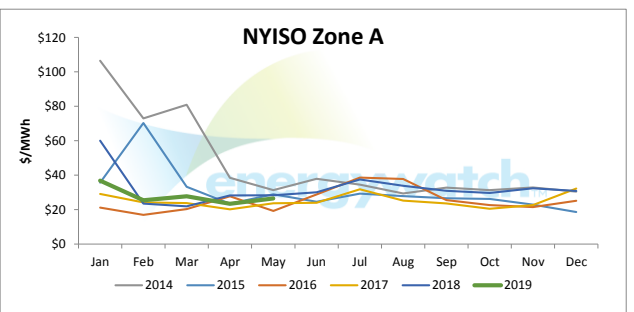
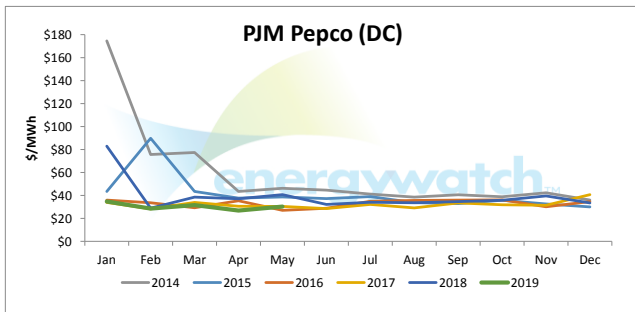
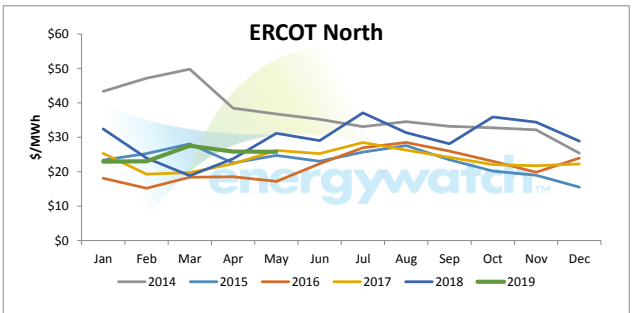
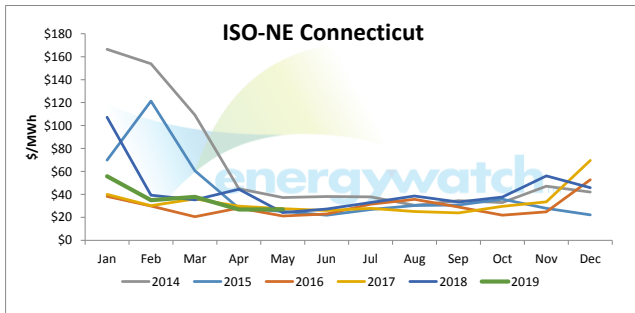
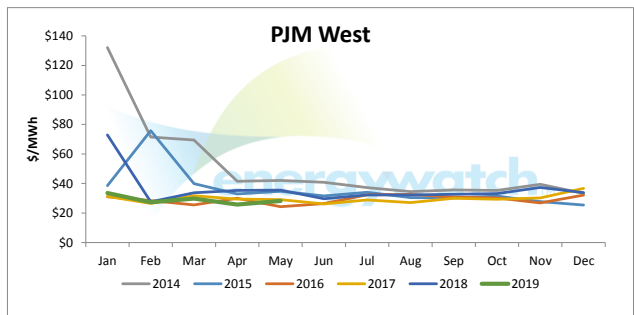
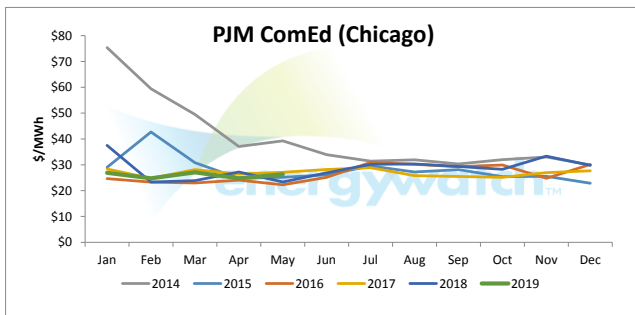
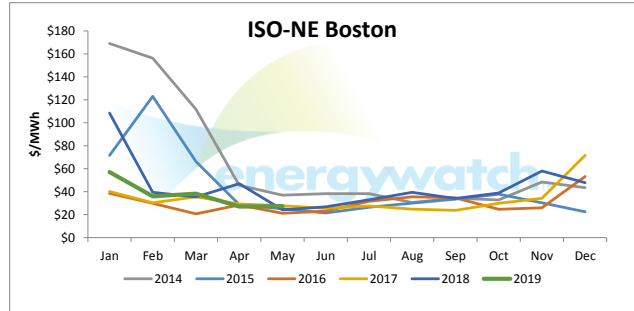
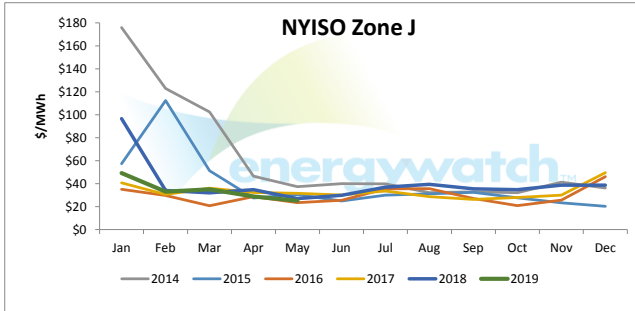
	Avg. Temp	Past 10 Weeks	Departure From Normal	CDD		HDD	
				CDD	HDD	CDD	HDD
Boston	50		-4	0	15		
Chicago	47		-7	0	18		
Columbus	67		10	3	0		
Dallas	72		2	8	0		
Denver	38		-15	0	28		
Detroit	57		4	0	8		
Hartford	53		0	0	12		
Houston	78		5	14	0		
Indianapolis	65		6	1	1		
Las Vegas	69		-4	5	0		
Los Angeles	61		-1	0	4		
Miami	79		1	14	0		
Minneapolis	46		-8	0	19		
New York City	55		-3	0	10		
Philadelphia	63		3	2	4		
Phoenix	76		0	12	0		
Salt Lake City	48		0	0	17		
San Diego	64		2	0	1		
San Francisco	60		2	0	5		
Seattle	53		0	0	12		
St. Louis	65		-2	2	2		
Washington D.C.	67		7	3	1		



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2014 - 2019 YTD Locational Marginal Pricing (LMPs)



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