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Week Ending March 8, 2019

Please contact me to review a joint RBN Energy daily publication detailing natural gas fundamentals.

Price Action: The April contract rose 0.6 cents (0.2%) to \$2.865 on an 8.4 cent range (\$2.896/\$2.812).

Price Outlook: The market recorded a rare inside week as bullish weather forecasts provided support with the looming end of winter and falling demand limited the upside. Of the 1,001 weeks since 2000, only 96 have witnessed inside weeks while 114 have witnessed both a new high and new weekly low. There have only been 4 instances with 2 consecutive inside weeks and with this week's miniscule 8.4 cent range, another inside is highly improbable. For daily updated storage projections, subscribe to our joint publication with RBN Energy. The CFTC data is finally current after the government shutdown. CFTC data indicated a 35,988 contract increase in the managed money net long position as longs added and shorts covered. Total open interest rose 22,418 to 3.178 million as of March 05. Aggregated CME futures open interest rose to 1.194 million as of March 08. The current weather forecast is now cooler than 8 of the last 10 years. Pipeline data indicates total flows to Cheniere's Sabine Pass export facility were at 4.0 bcf. Cove Point is net exporting 0.8 bcf. Corpus Christi is exporting 0.665 bcf. Cameron is exporting 0.000 bcf.

Weekly Storage: US working gas storage for the week ending March 1 indicated a withdrawal of (149) bcf. Working gas inventories fell to 1,390 bcf. Current inventories fall (235) bcf (-14.5%) below last year and fall (482) bcf (-25.8%) below the 5-year average.

Storage Outlook: The EIA weekly implied flow was 6 bcf from our EIA storage estimate. This week's storage estimate was again outside our tolerance. The forecasts use a 10-year rolling temperature profile past the 15-day forecast. Our joint publication with RBN updates storage projections daily.

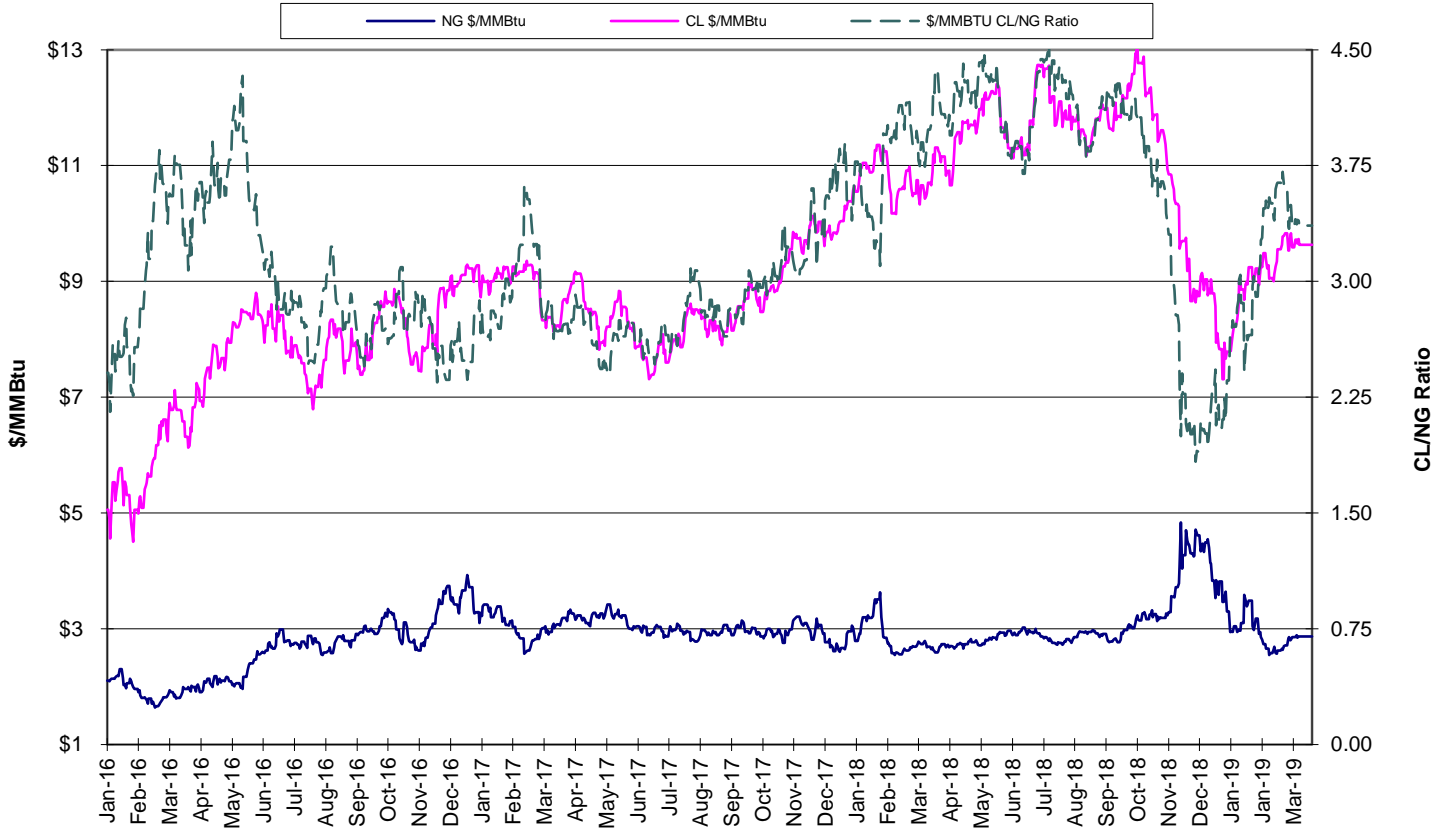
Supply Trends: Total supply fell (0.5) bcf/d to 83.4 bcf/d. US production fell. Canadian imports rose. LNG imports fell. LNG exports rose. Mexican exports rose. The US Baker Hughes rig count fell (11). Oil activity decreased (9). Natural gas activity decreased (2). The total US rig count now stands at 1,027. The Canadian rig count fell (22) to 189. Thus, the total North American rig count fell (33) to 1,216 and now trails last year by (41). The higher efficiency US horizontal rig count fell (7) to 904 and rises +56 above last year.

Demand Trends: Total demand fell (3.7) bcf/d to +104.8 bcf/d. Power demand fell. Industrial demand fell. Res/Comm demand fell. Electricity demand fell (2,501) gigawatt-hrs to 76,183 which exceeds last year by +4,458 (6.2%) and exceeds the 5-year average by 553 (0.7%).

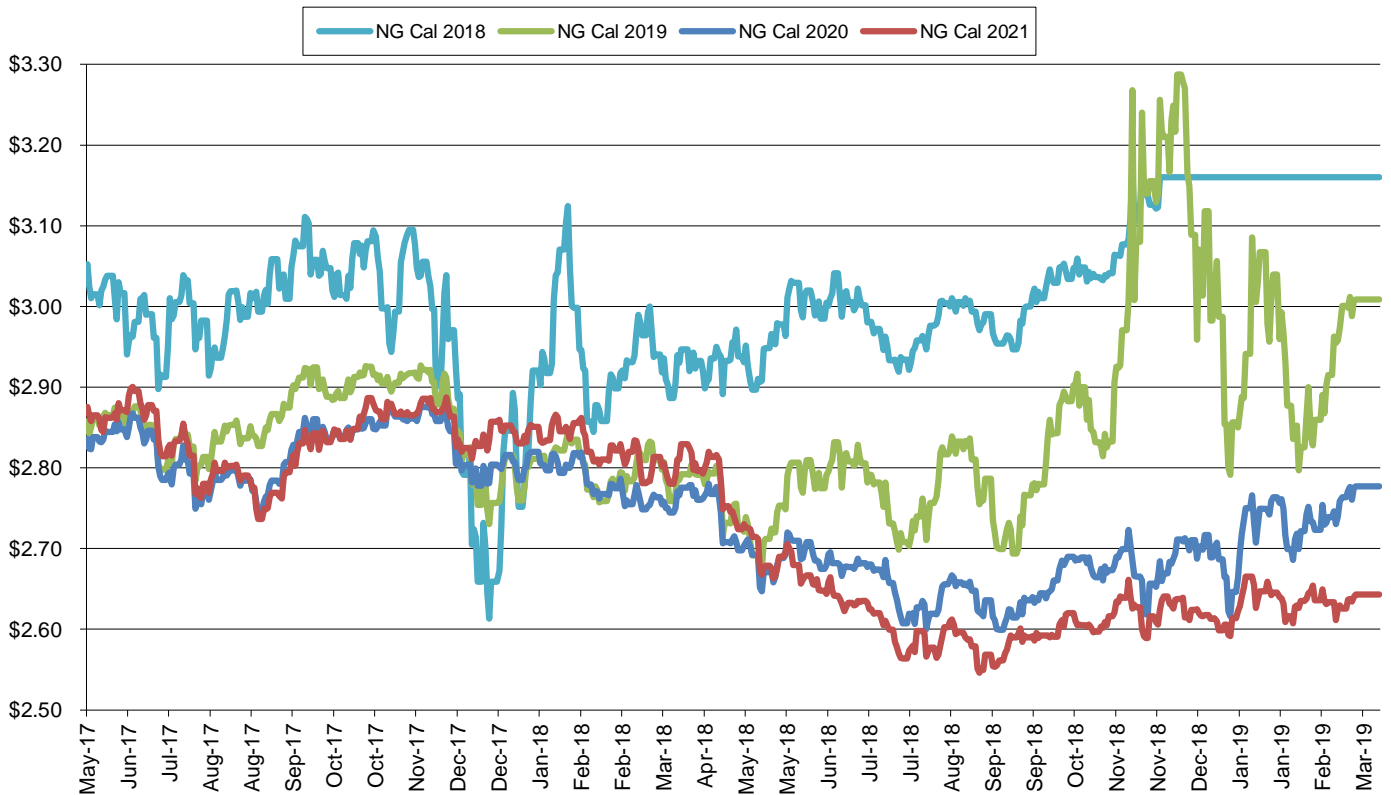
Nuclear Generation: Nuclear generation fell (2,918) MW in the reference week to 88,626 MW. This is (1,827) MW lower than last year and +74 MW higher than the 5-year average. Recent output was at 86,623 MW.

- The heating season has begun. With a forecast through March 22 the 2018/19 total cooling index is at (2,786) compared to (2,515) for 2017/18, (2,187) for 2016/17, (2,419) for 2015/16, (2,667) for 2014/15, (2,944) for 2013/14, (2,685) for 2012/13 and (2,422) for 2011/12.

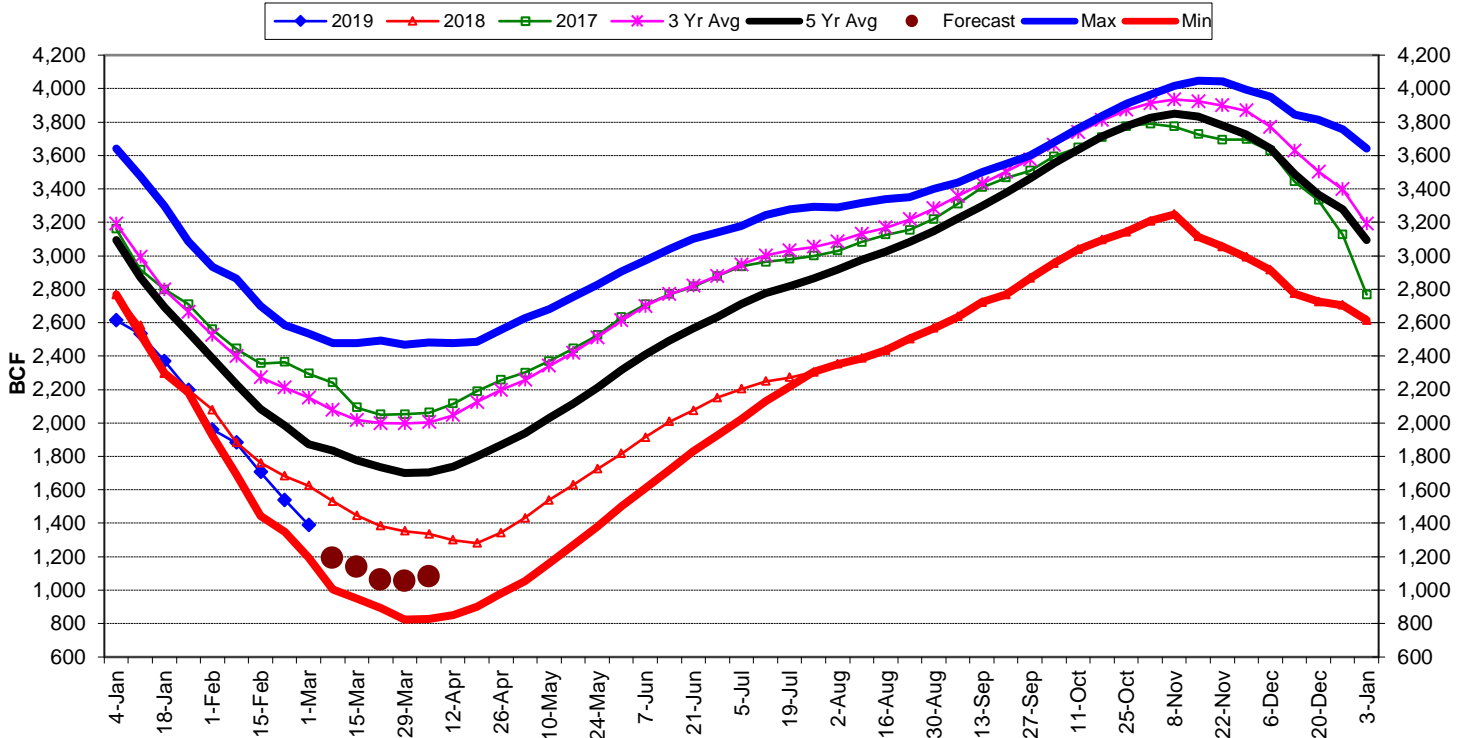
\$/MMBtu Ratio of NYMEX CL and NG



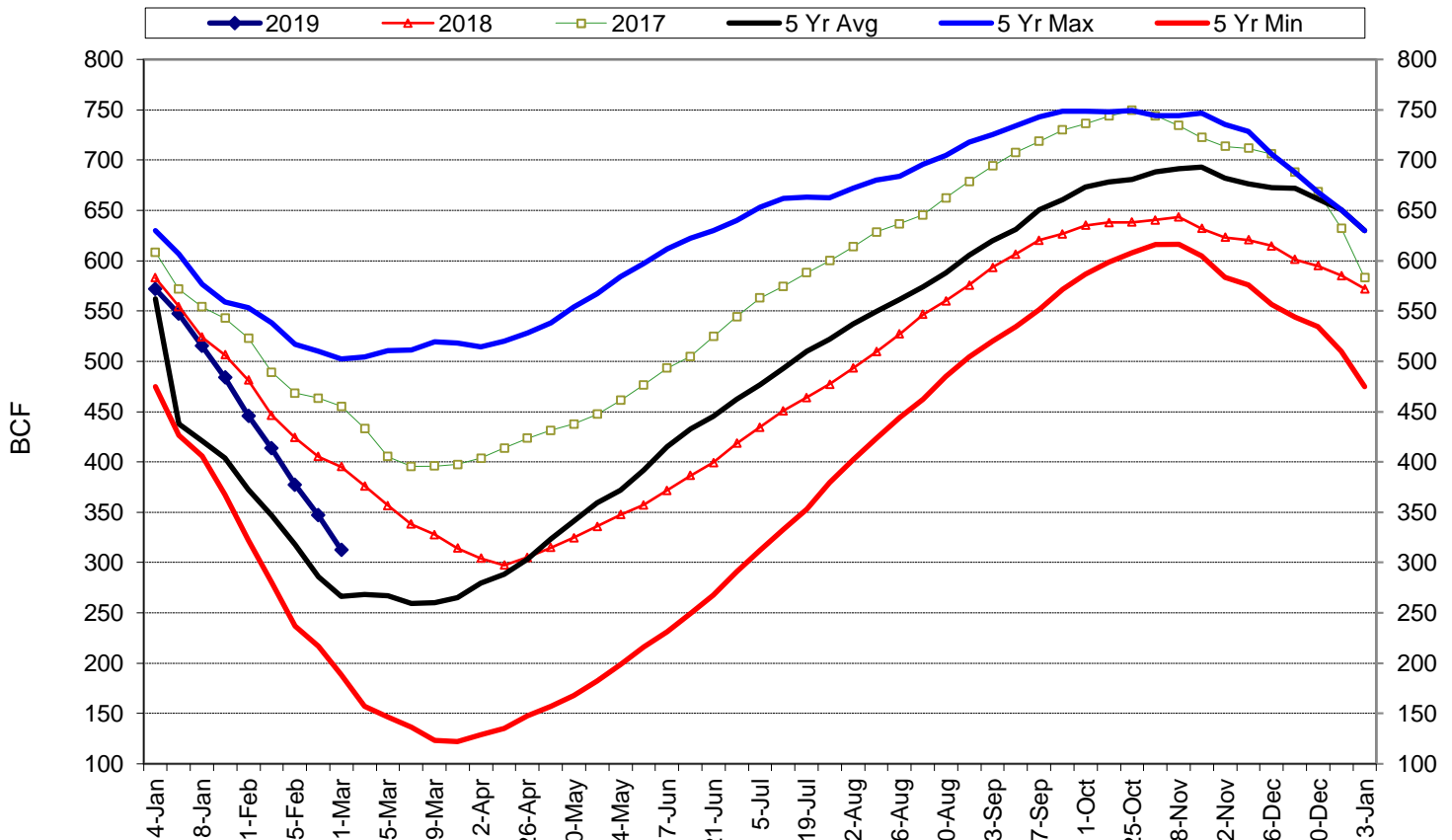
NYMEX Calendar Strips



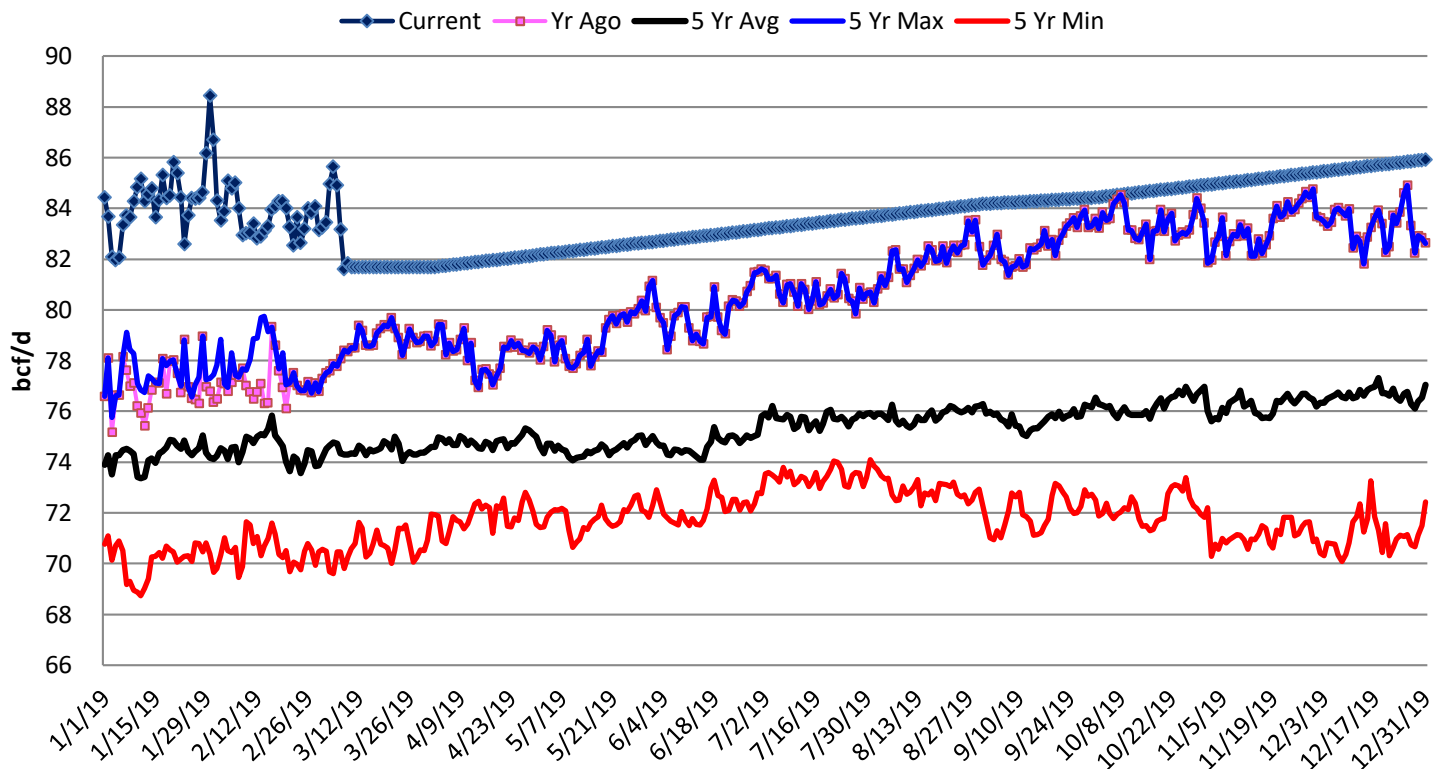
US Total Working Gas Storage - Source - EIA



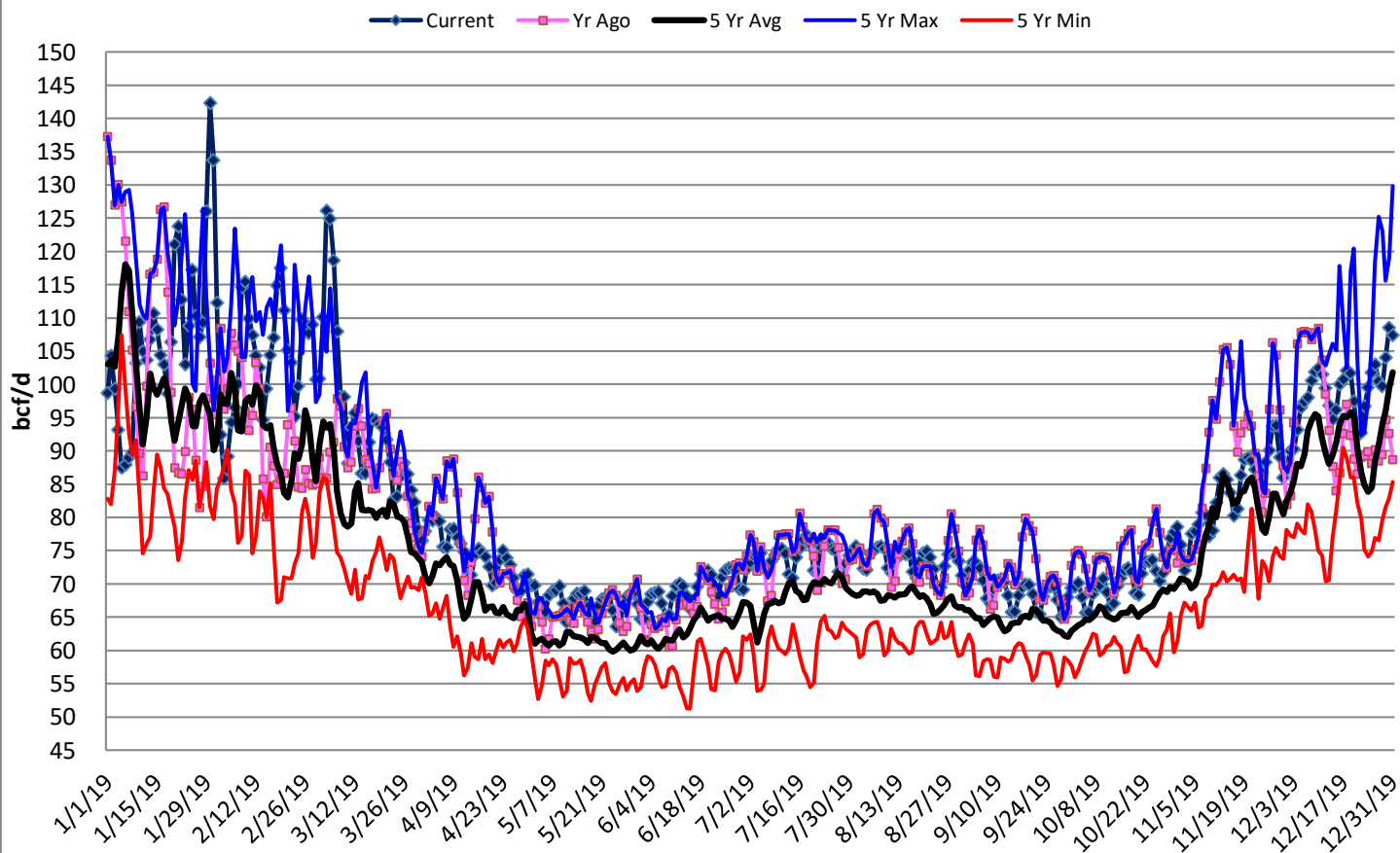
Canadian Working Gas Storage - Enerdata



US Total Supply



US Total Demand



ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

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