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**Week Ending March 29, 2019**

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

**Price Action:** The May contract fell 10.5 cents (3.8%) to \$2.662 on a 13.2 cent range (\$2.788/\$2.656).

**Price Outlook:** The market slid as temperatures moderated and the yearly storage deficit shrank. Although temperatures early this week will fall, the winter is coming to an end and the storage deficits will be contracting. Based on the storage withdrawals that occurred into April last year, the yearly storage deficit may be completely eliminated by the end of May. The storage deficit to the 5-year average is expected to persist through the summer at least. **For daily updated storage projections, subscribe to our joint publication with RBN Energy.** CFTC data indicated a (22,384) contract reduction in the managed money net long position as longs liquidated and shorts covered. This is the lowest net long position since March 5. Total open interest fell (39,406) to 3.163 million as of March 26. Aggregated CME futures open interest rose to 1.171 million as of March 29. The current weather forecast is now warmer than 5 of the last 10 years. Pipeline data indicates total flows to Cheniere's Sabine Pass export facility were at 2.5 bcf. Cove Point is net exporting 0.8 bcf. Corpus Christi is exporting 0.804 bcf. Cameron is exporting 0.000 bcf.

**Weekly Storage:** US working gas storage for the week ending March 22 indicated a withdrawal of (36) bcf. Working gas inventories fell to 1,107 bcf. Current inventories fall (276) bcf (-20.0%) below last year and fall (553) bcf (-33.3%) below the 5-year average.

**Storage Outlook:** The EIA weekly implied flow was (3) bcf from our EIA storage estimate. This week's storage estimate was back within 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.**

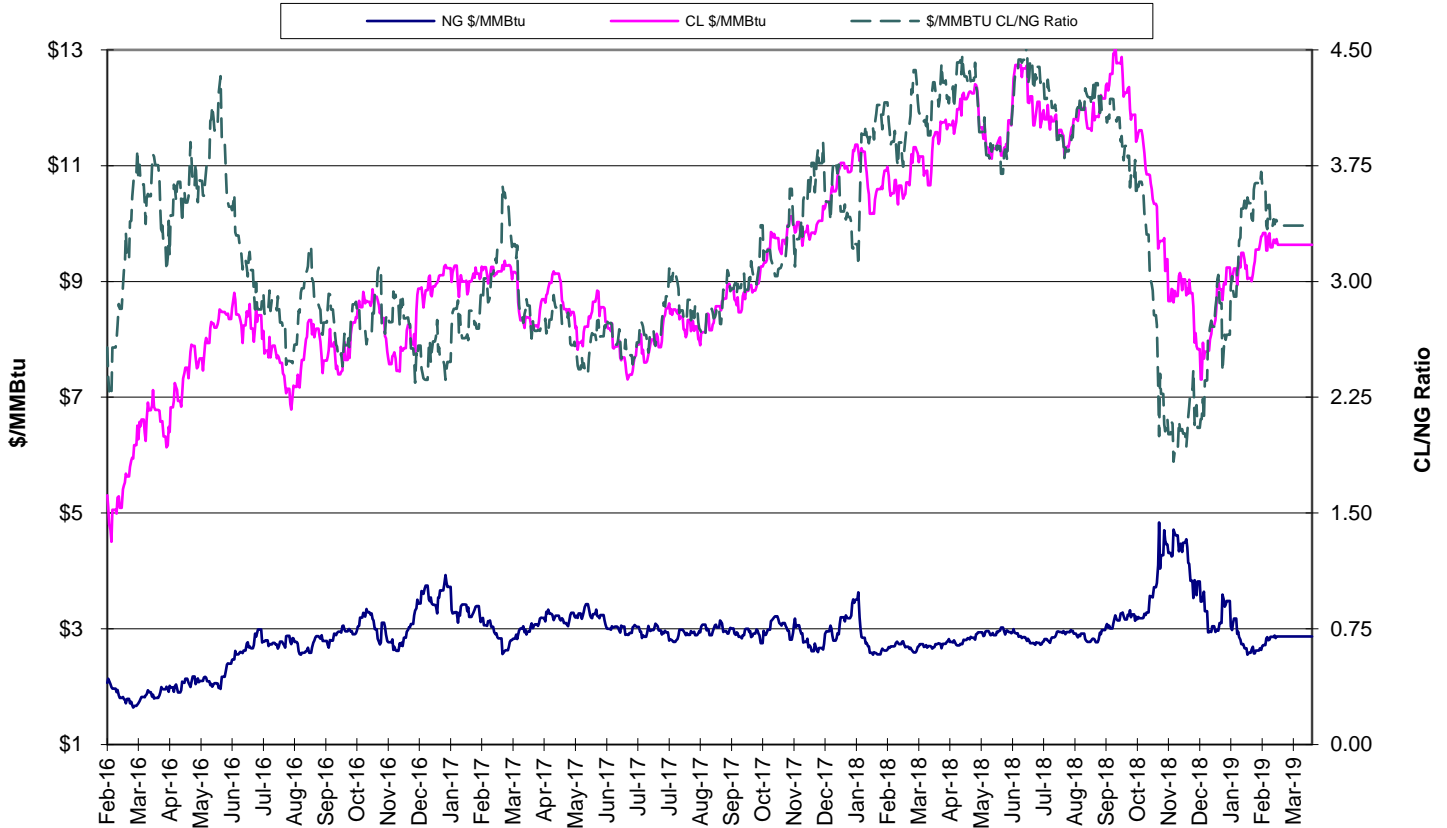
**Supply Trends:** Total supply rose 0.7 bcf/d to 82.9 bcf/d. US production rose. Canadian imports rose. LNG imports rose. LNG exports rose. Mexican exports fell. The US Baker Hughes rig count fell (10). Oil activity decreased (8). Natural gas activity decreased (2). The total US rig count now stands at 1,006. The Canadian rig count fell (17) to 88. Thus, the total North American rig count fell (27) to 1,094 and now trails last year by (33). **The higher efficiency US horizontal rig count fell (9) to 891 and rises +21 above last year.**

**Demand Trends:** Total demand fell (2.2) bcf/d to +86.6 bcf/d. Power demand rose. Industrial demand fell. Res/Comm demand fell. Electricity demand fell (879) gigawatt-hrs to 69,913 which trails last year by (1,879) (-2.6%) and trails the 5-year average by (676) (-1.0%).

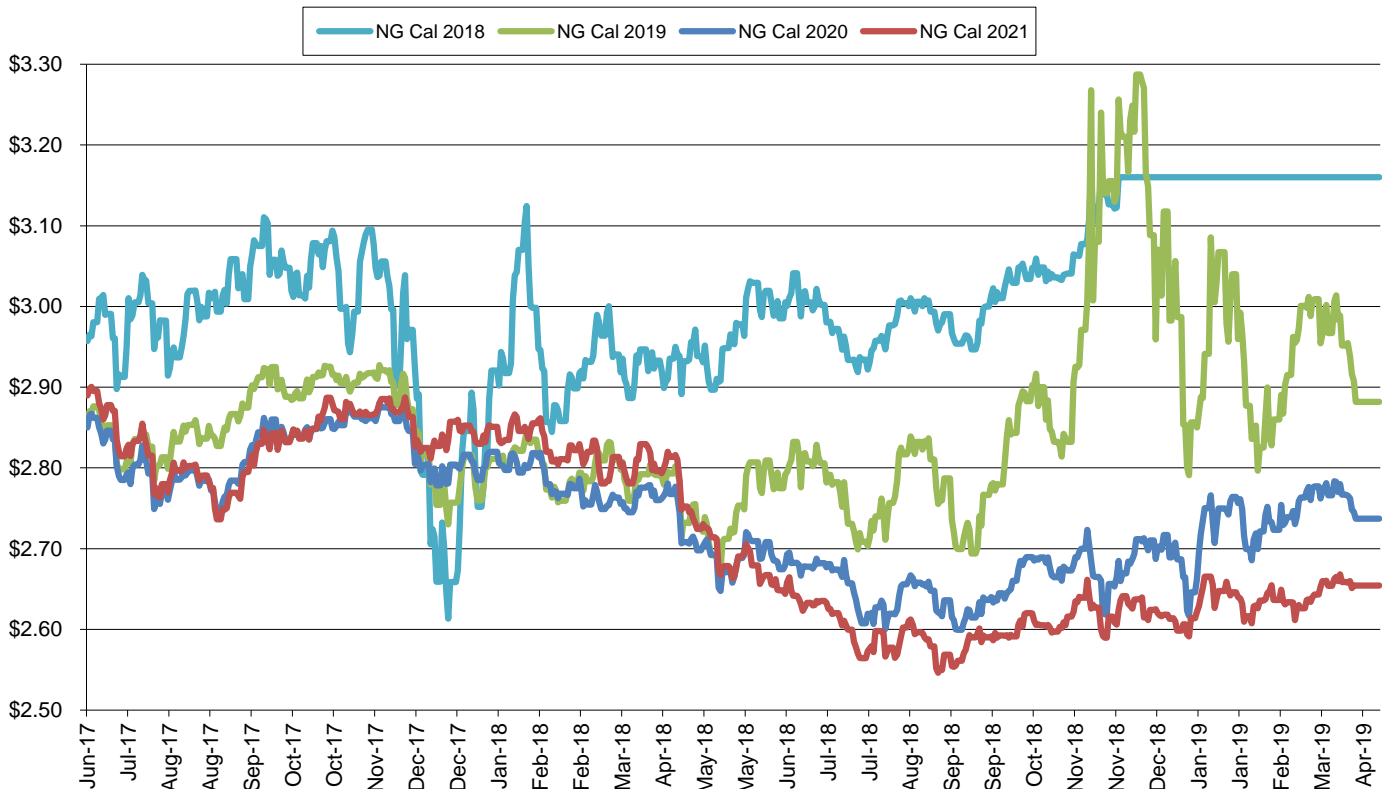
**Nuclear Generation:** Nuclear generation fell (439) MW in the reference week to 82,219 MW. This is (2,060) MW lower than last year and +266 MW higher than the 5-year average. **Recent output was at 80,106 MW.**

- The heating season is basically over. With a forecast through April 12 the 2018/19 total cooling index is at (2,899) compared to (2,800) for 2017/18, (2,267) for 2016/17, (2,419) for 2015/16, (2,478) for 2014/15, (3,140) for 2013/14, (2,932) for 2012/13 and (2,516) for 2011/12.

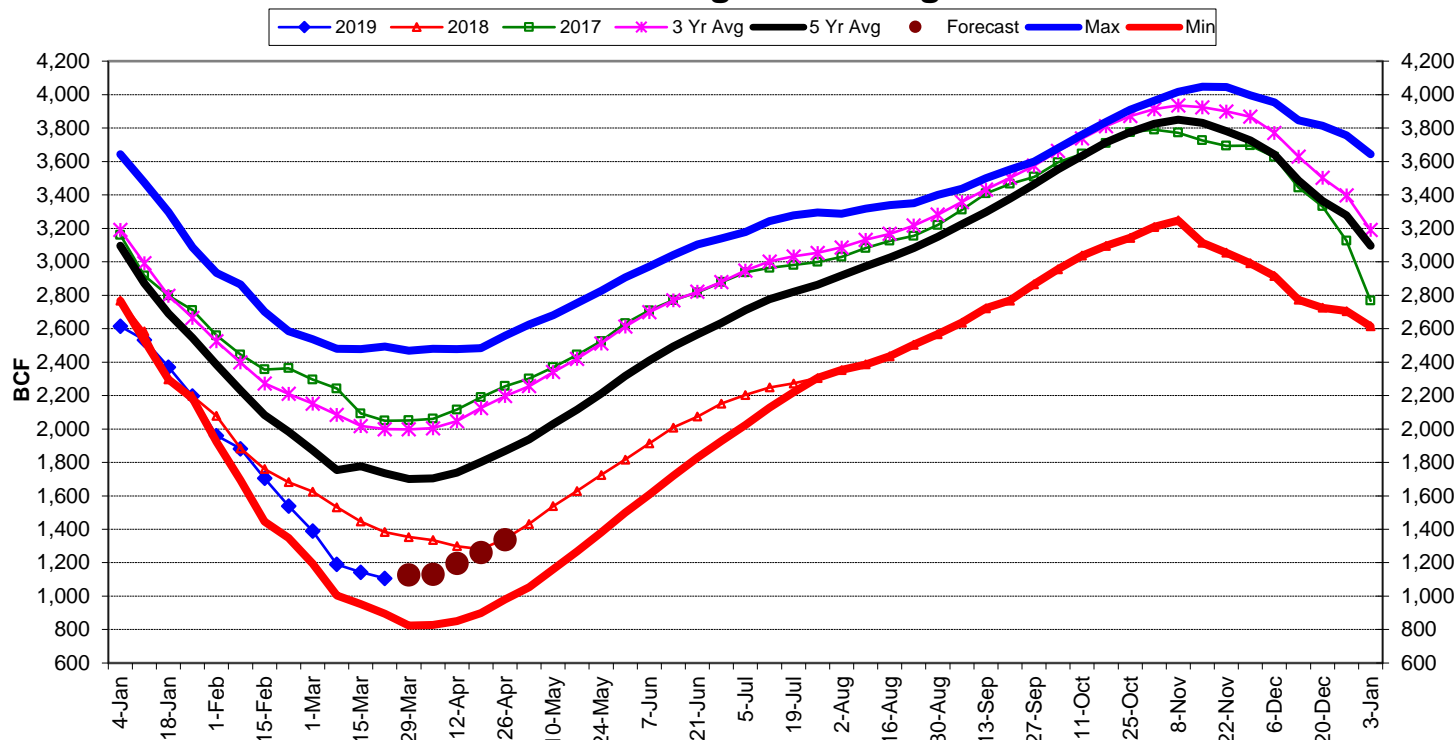
## \$/MMBtu Ratio of NYMEX CL and NG



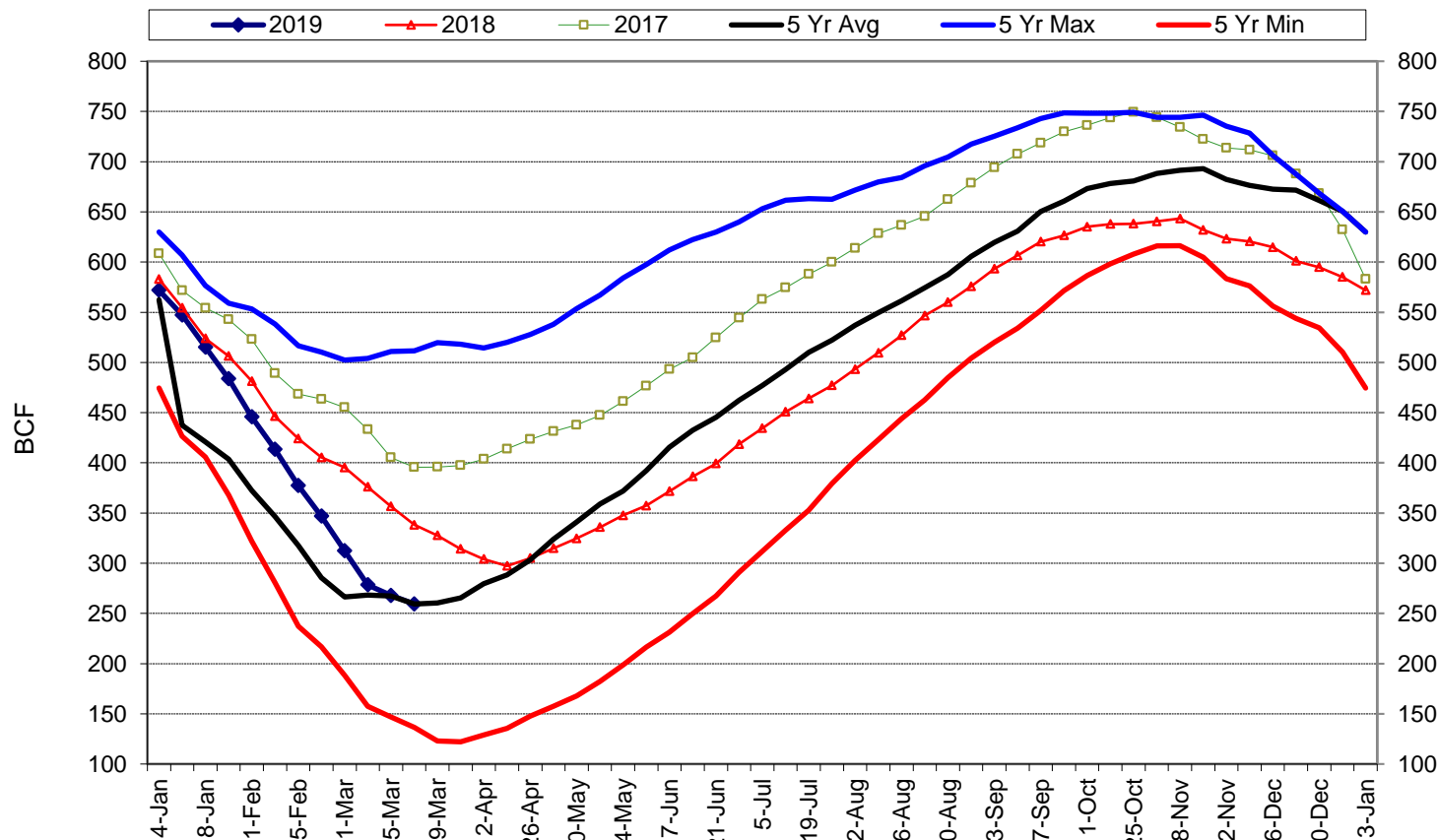
## NYMEX Calendar Strips



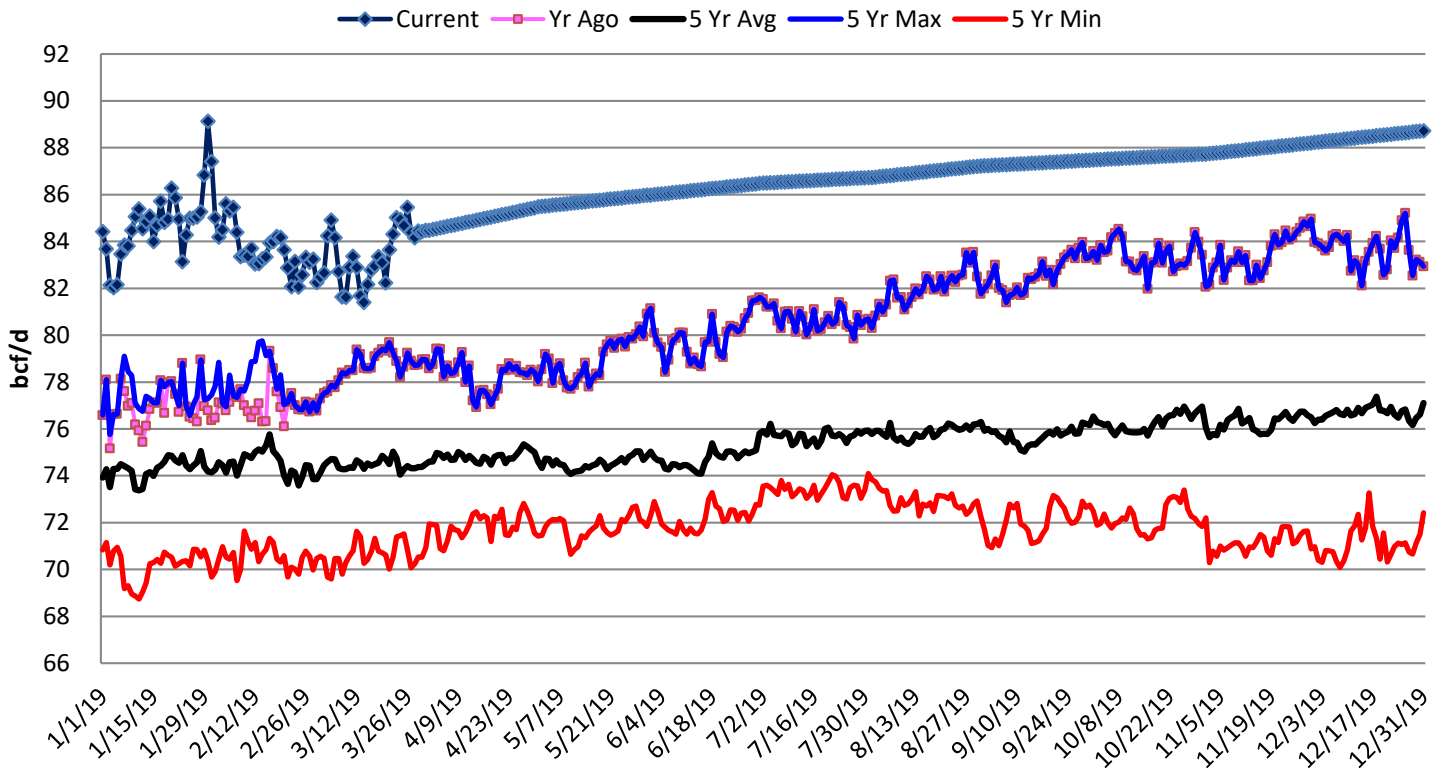
## US Total Working Gas Storage - Source - EIA



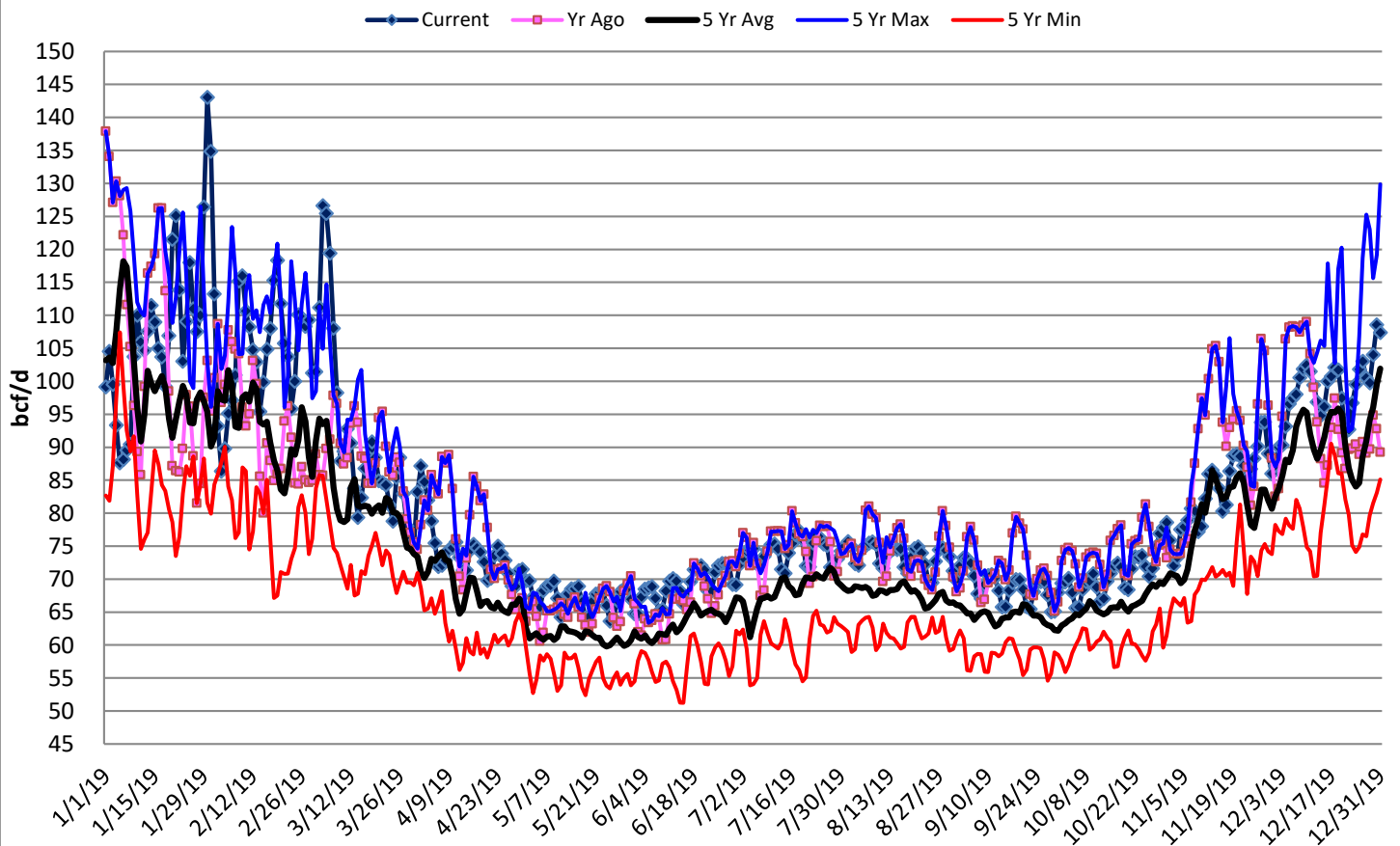
## Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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