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Week Ending April 26, 2019

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

Price Action: The now expired May contract rose 7.6 cents (3.1%) to \$2.566 on a 14.1 cent range (\$2.580/\$2.439).

Price Outlook: Prices posted a new weekly low before rebounding and ending higher on the week. The market pushed lower as the EIA reported another weekly record injection, not absolute injection, and inventories rose above last year while continuing to reduce the deficit to the 5-year average. Prices were able to end higher on the week as weather forecasts were considered bullish. Still, with triple digit injections projected for the next weeks, further upside may be limited. **For daily updated storage projections, subscribe to our joint publication with RBN Energy.** CFTC data indicated a (35,674) contract reduction in the managed money net long position as longs liquidated and shorts added. **This is the lowest net long position since July 31, 2018.** Total open interest rose 71,215 to 3.393 million as of April 23. Aggregated CME futures open interest fell to 1.230 million as of April 26. **The current weather forecast is now cooler than 9 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 0.7 bcf. Corpus Christi is exporting 0.766 bcf. Cameron is exporting 0.105 bcf.**

Weekly Storage: US working gas storage for the week ending April 19 indicated an injection of +92 bcf. Working gas inventories rose to 1,339 bcf. Current inventories rise 58 bcf (4.5%) above last year and fall (372) bcf (-21.7%) below the 5-year average.

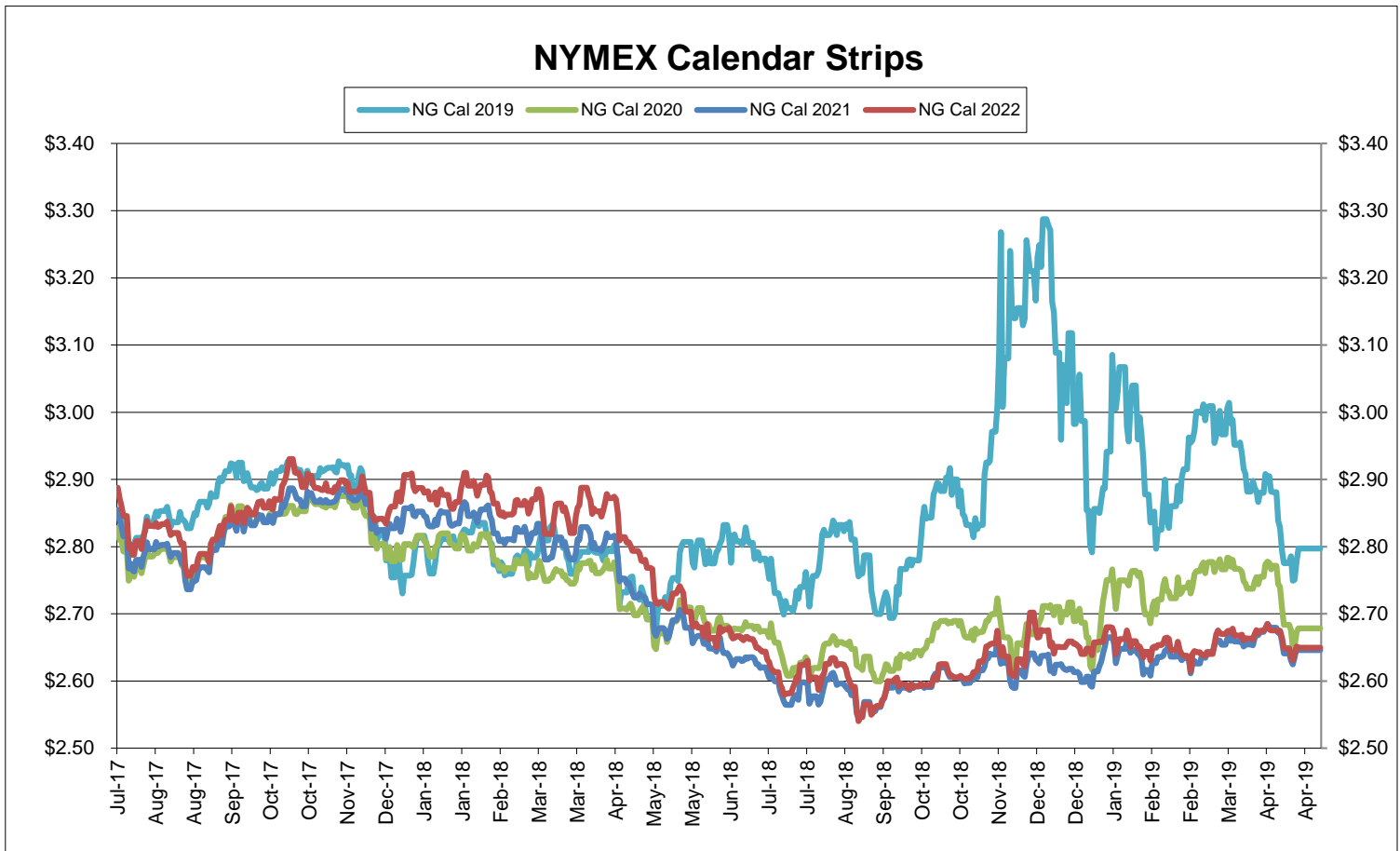
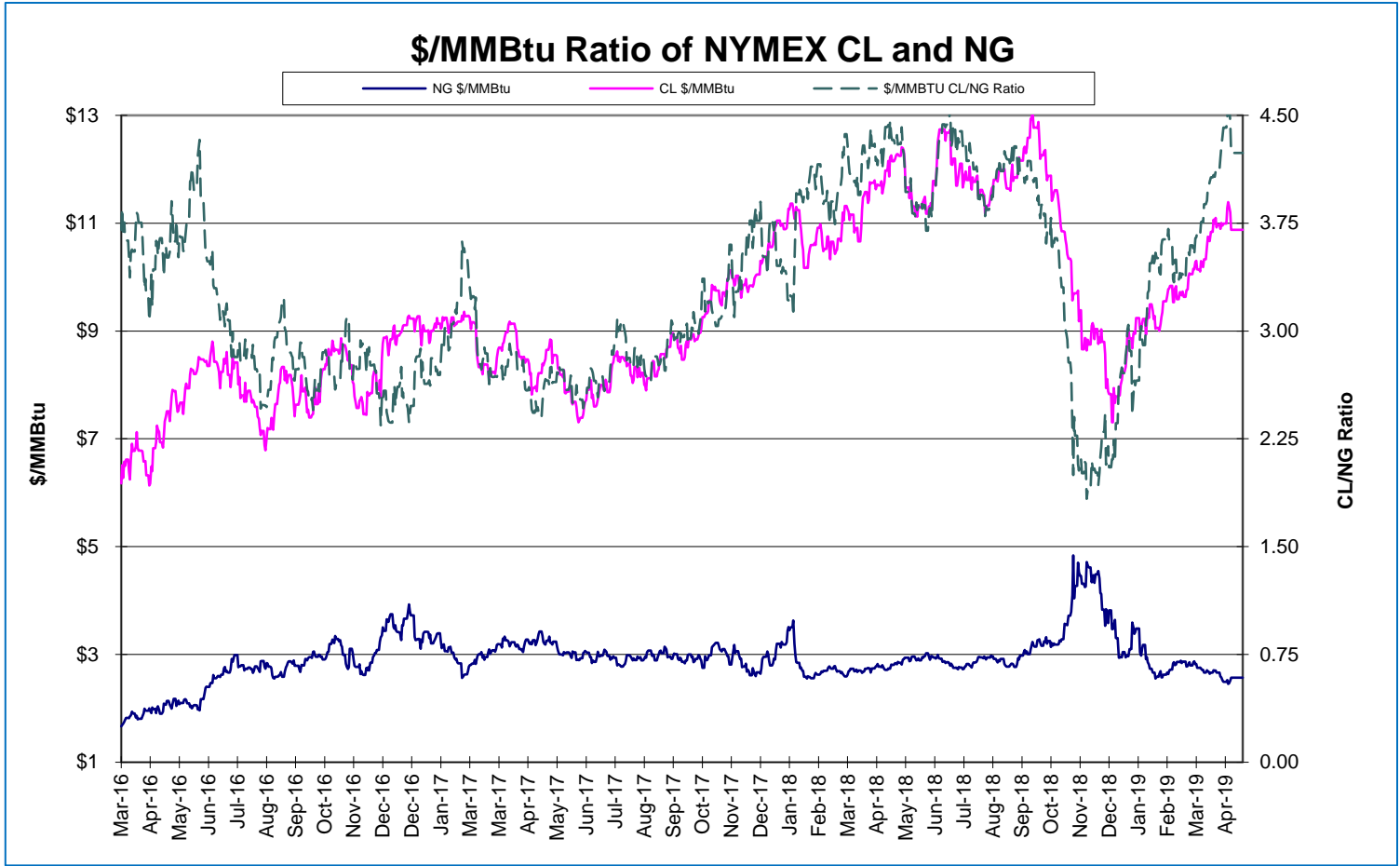
Storage Outlook: The EIA weekly implied flow was (1) bcf from our EIA storage estimate. This week's storage estimate returned to within our tolerance. Over the last five weeks, then EIA has reported total injections of +200 bcf compared to our +205 bcf estimate. The forecasts use a 10-year rolling temperature profile past the 15-day forecast. **Our joint publication with RBN updates storage projections daily.**

Supply Trends: Total supply fell (0.3) bcf/d to 85.2 bcf/d. US production rose. Canadian imports rose. LNG imports fell. LNG exports rose. Mexican exports fell. The US Baker Hughes rig count fell (21). Oil activity decreased (20). Natural gas activity decreased (1). The total US rig count now stands at 991. The Canadian rig count fell (3) to 63. Thus, the total North American rig count fell (24) to 1,054 and now trails last year by (52). **The higher efficiency US horizontal rig count fell (13) to 873 and falls (28) below last year.**

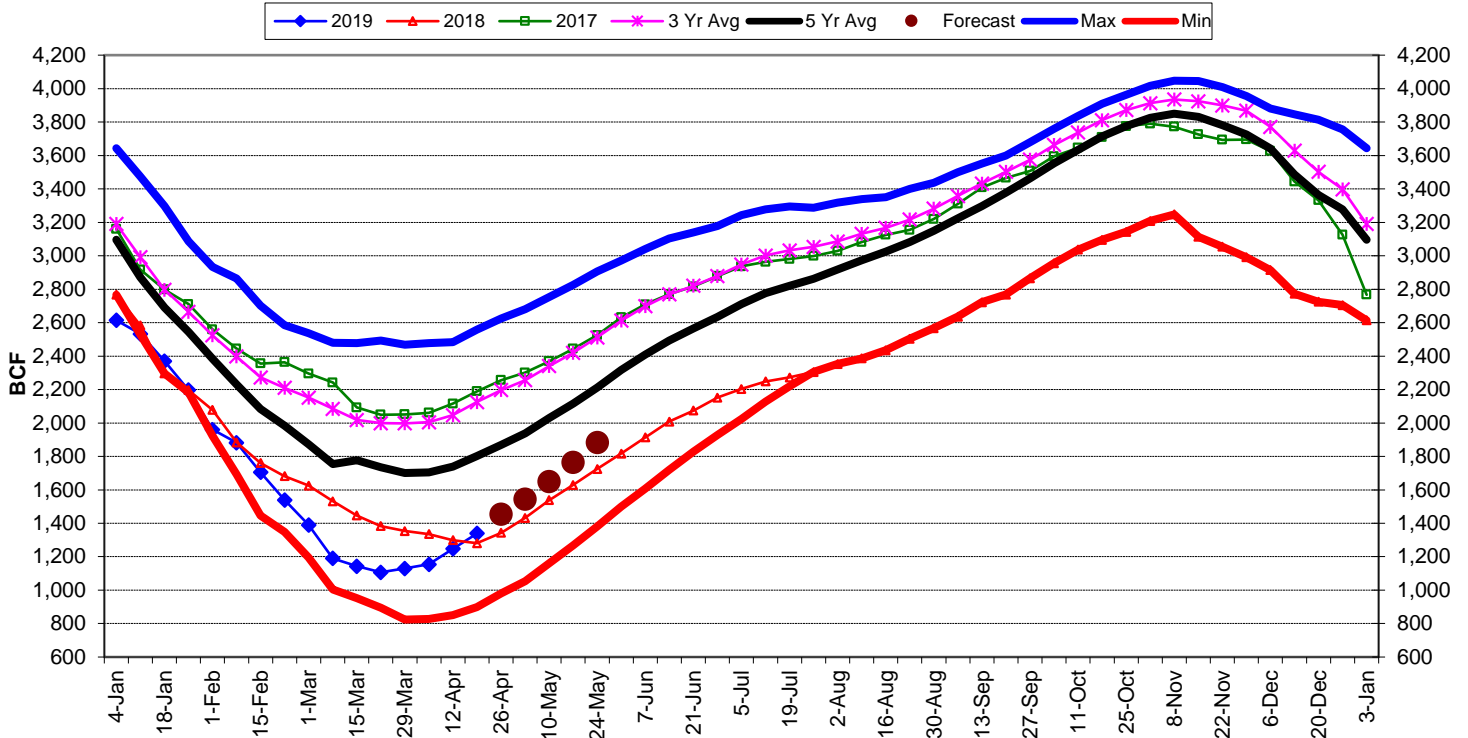
Demand Trends: Total demand fell (1.2) bcf/d to +72.4 bcf/d. Power demand fell. Industrial demand fell. Res/Comm demand rose. Electricity demand fell (1,526) gigawatt-hrs to 66,853 which trails last year by (2,337) (-3.4%) and trails the 5-year average by (1,514) (-2.2%).

Nuclear Generation: Nuclear generation rose 271 MW in the reference week to 80,984 MW. This is +2,347 MW higher than last year and +2,927 MW higher than the 5-year average. **Recent output was at 80,362 MW.**

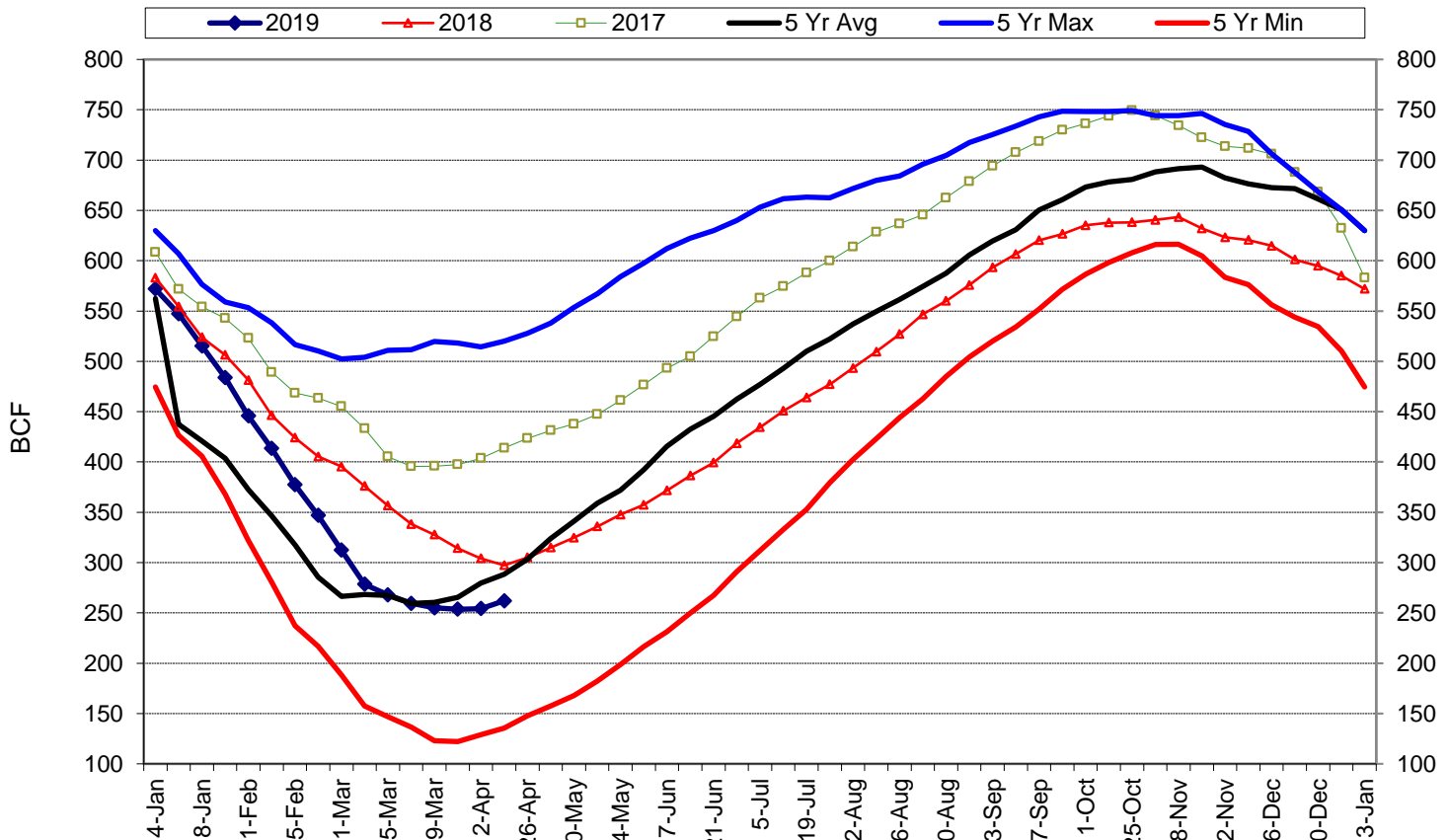
- The cooling season is beginning. With a forecast through May 10, the 2019 total cooling index is at 4 compared to 57 for 2018, 30 for 2017, 6 for 2016, 13 for 2015, 41 for 2014, 26 for 2013, 36 for 2012 and 20 for 2011.



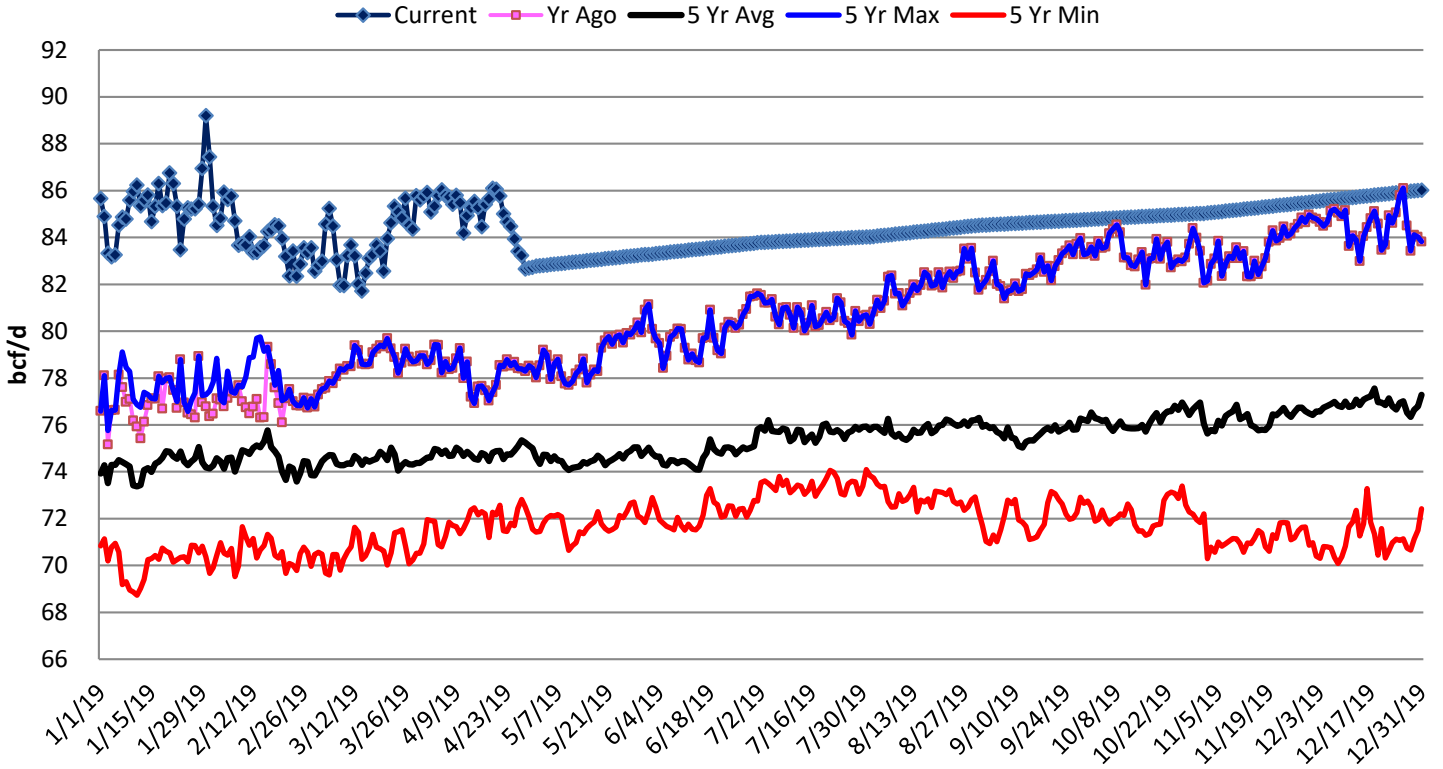
US Total Working Gas Storage - Source - EIA



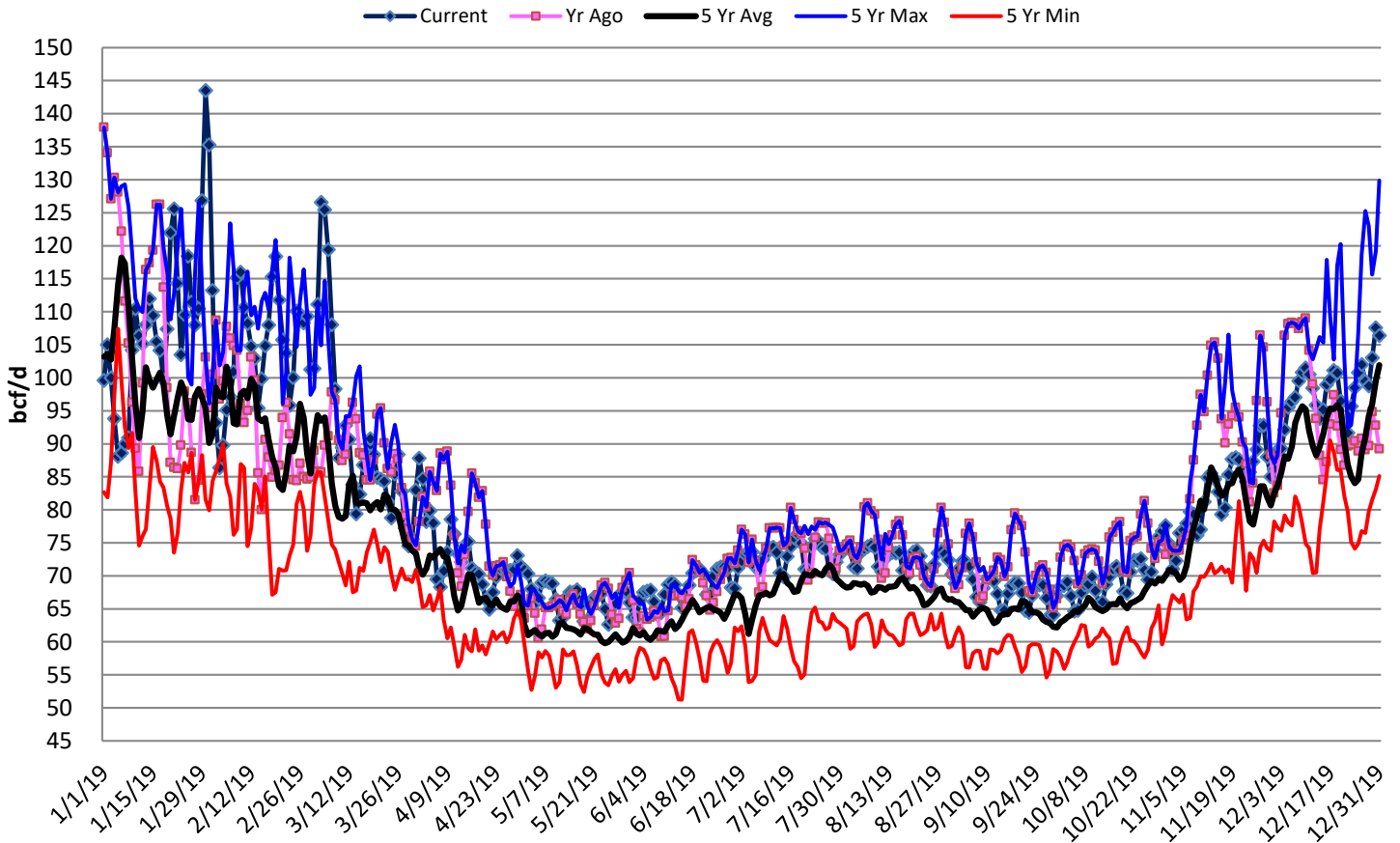
Canadian Working Gas Storage - Enerdata



US Total Supply



US Total Demand



ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

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