

Join Kyle Cooper at 3:00 pm EST every Wednesday for his “Cooper on Oil & Gas” Live Chat on [www.enelyst.com](http://www.enelyst.com)

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*Week Ending May 24, 2019*

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

**Price Action:** The June contract fell 3.3 cents (1.3%) to \$2.598 on a 16.2 cent range (\$2.700/\$2.538).

**Price Outlook:** Prices posted both a new weekly high and low on an expanded weekly range, compared to recent trends. Of the 1,012 weeks since 2000, 117 have posted both a new weekly high and low compared to 97 inside weeks where neither a new high nor low was established. The new weekly high is the 4<sup>th</sup> consecutive weekly high which is still not considered extended compared to the record 14 consecutive higher weeks posted in 2008. There is increasing evidence that increased power burn is overcoming the loss of overnight heating load in northern climes resulting in the lowest total natural gas demand occurring at lower temperatures. Temperature forecasts will begin to give an indication of impending cooling demand. For daily updated storage projections, subscribe to our joint publication with RBN Energy. CFTC data indicated a (9,101) contract reduction in the managed money net long position as longs added and shorts added. This is the lowest net long position since June 14, 2016. This is the lowest long position since ICE data was added in early January 2010. Total open interest rose 20,182 to 3.380 million as of May 21. Aggregated CME futures open interest fell to 1.274 million as of May 24, the lowest since May 7.

**Weekly Storage:** US working gas storage for the week ending May 17 indicated an injection of +100 bcf. Working gas inventories rose to 1,753 bcf. Current inventories rise 124 bcf (7.6%) above last year and fall (278) bcf (-13.7%) below the 5-year average.

**Storage Outlook:** The EIA weekly implied flow was (4) bcf from our EIA storage estimate. This week's storage estimate remained within our error tolerance. Over the last five weeks, then EIA has reported total injections of +498 bcf compared to our +492 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.

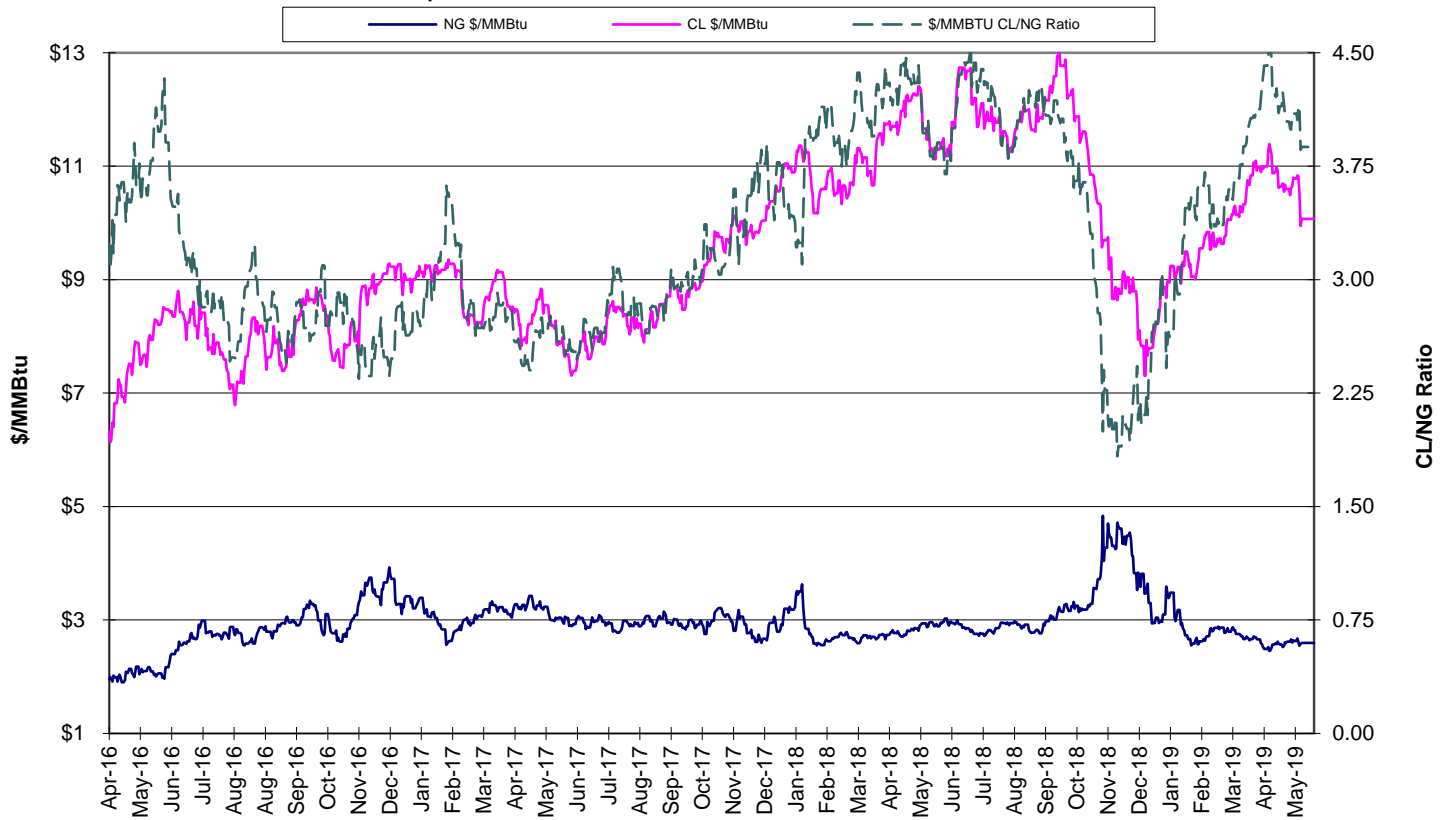
**Supply Trends:** Total supply fell (0.2) bcf/d to 84.4 bcf/d. US production rose. Canadian imports fell. LNG imports fell. LNG exports rose. Mexican exports rose. The US Baker Hughes rig count fell (4). Oil activity decreased (5). Natural gas activity increased +1. The total US rig count now stands at 983. The Canadian rig count rose +15 to 78. Thus, the total North American rig count rose +11 to 1,061 and now trails last year by (79). The higher efficiency US horizontal rig count fell (3) to 863 and falls (63) below last year.

**Demand Trends:** Total demand fell (0.6) bcf/d to +70.2 bcf/d. Power demand fell. Industrial demand fell. Res/Comm demand rose. Electricity demand rose +1,228 gigawatt-hrs to 70,927 which trails last year by (5,222) (-6.9%) and trails the 5-year average by (2,027)(-2.8%%).

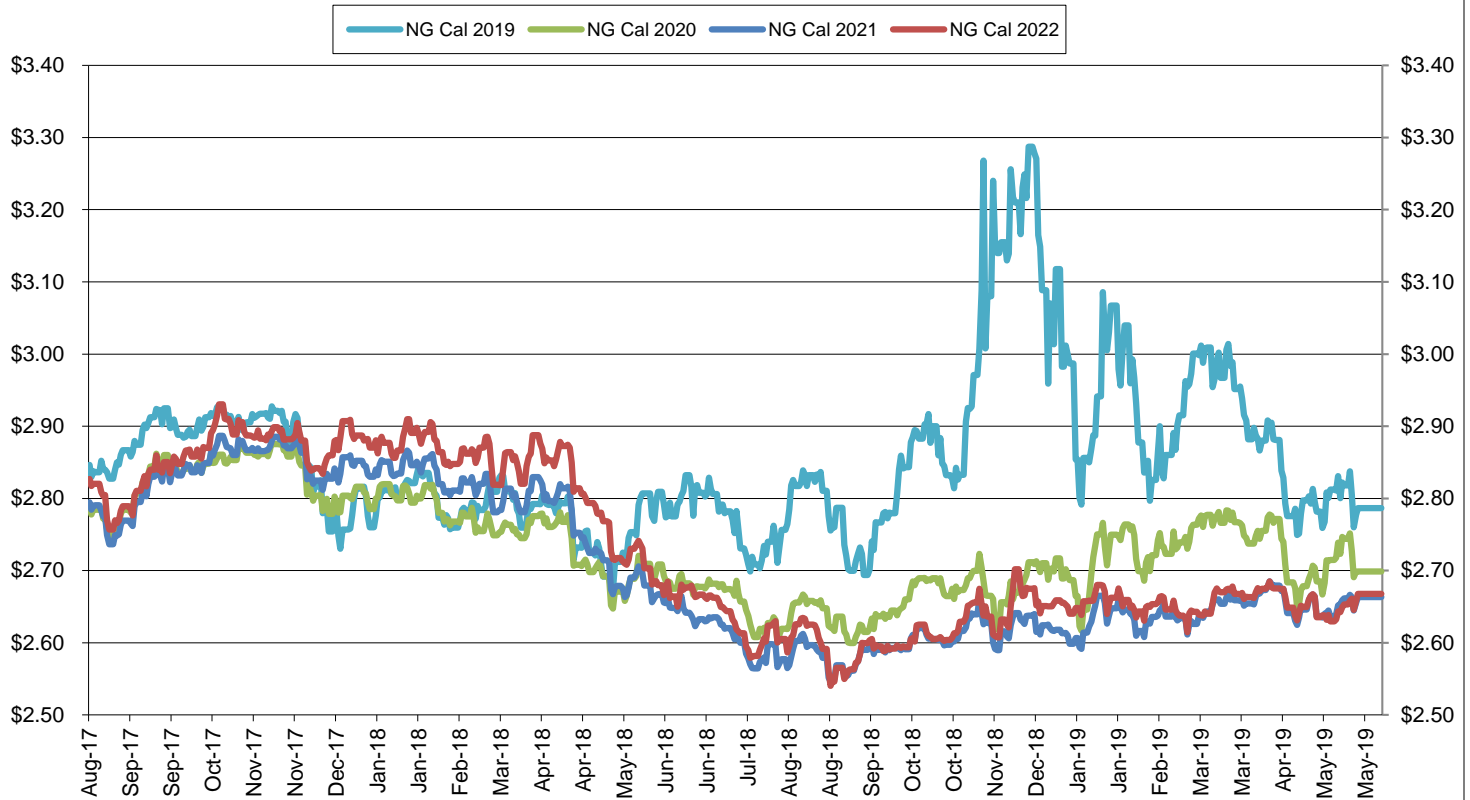
**Nuclear Generation:** Nuclear generation rose 1,365 MW in the reference week to 87,785 MW. This is (2,516) MW lower than last year and +1,464 MW higher than the 5-year average. Recent output was at 89,308 MW.

- The cooling season is beginning. With a forecast through June 7, the 2019 total cooling index is at 166 compared to 479 for 2018, 290 for 2017, 306 for 2016, 97 for 2015, 311 for 2014, 284 for 2013, 381 for 2012 and 443 for 2011.

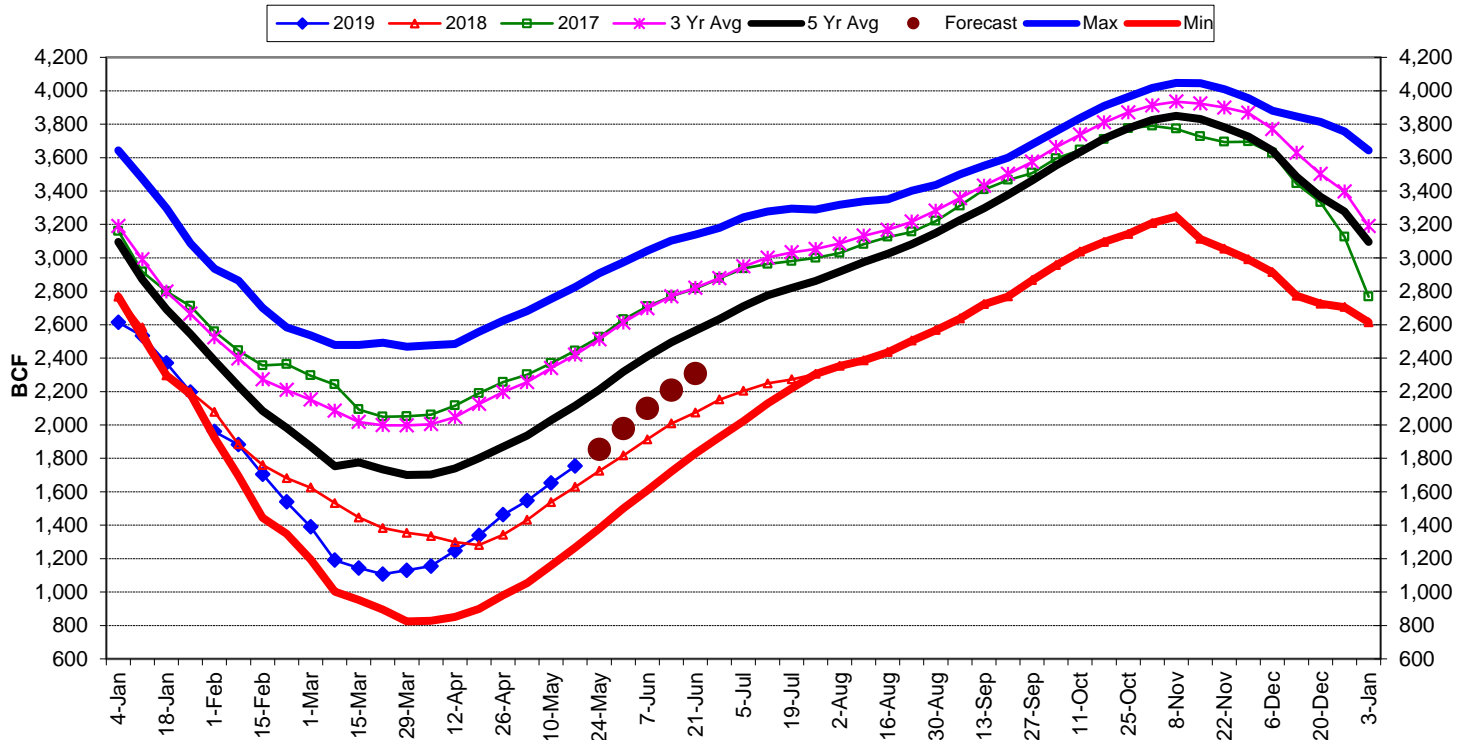
### \$/MMBtu Ratio of NYMEX CL and NG



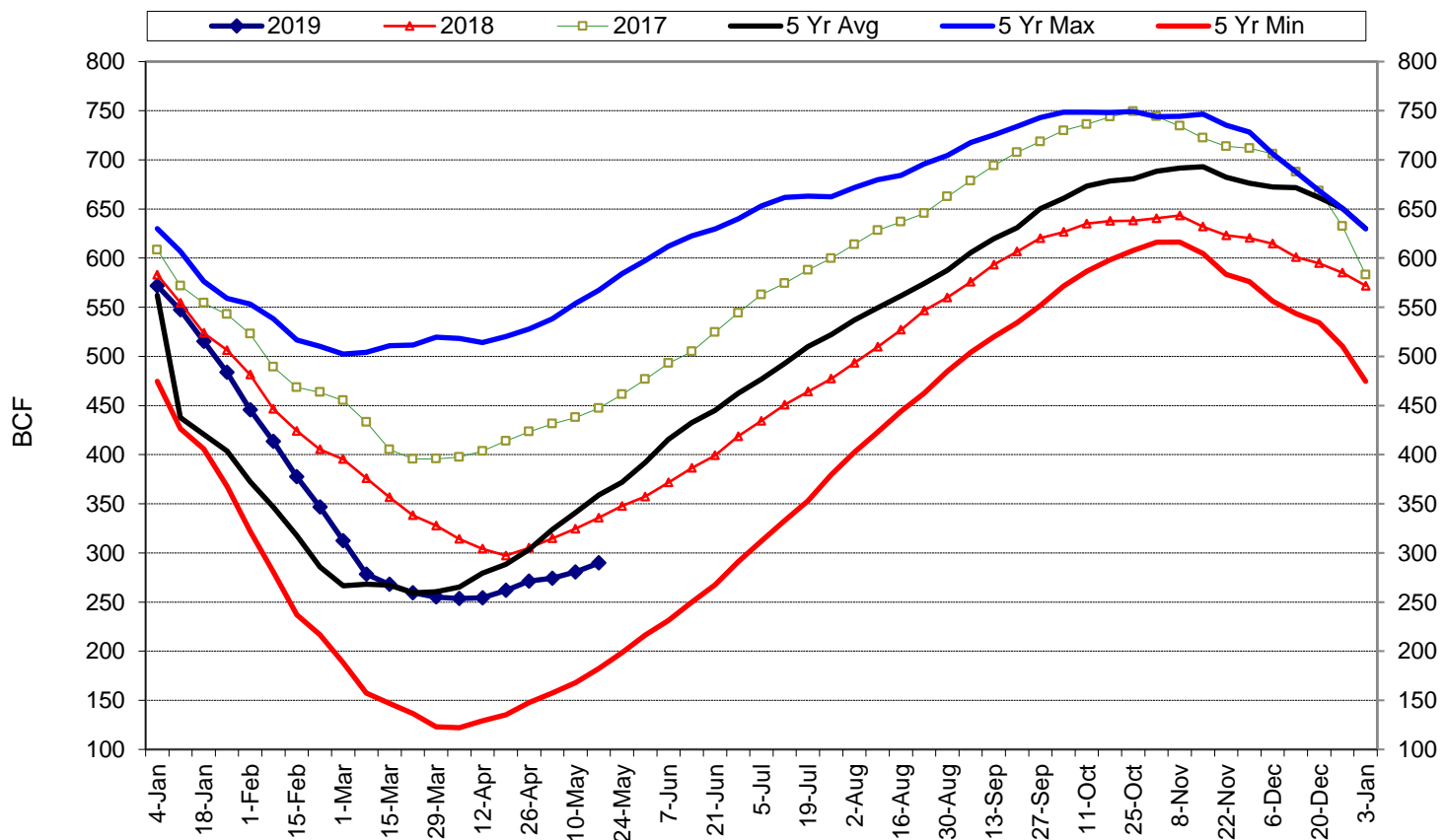
### NYMEX Calendar Strips



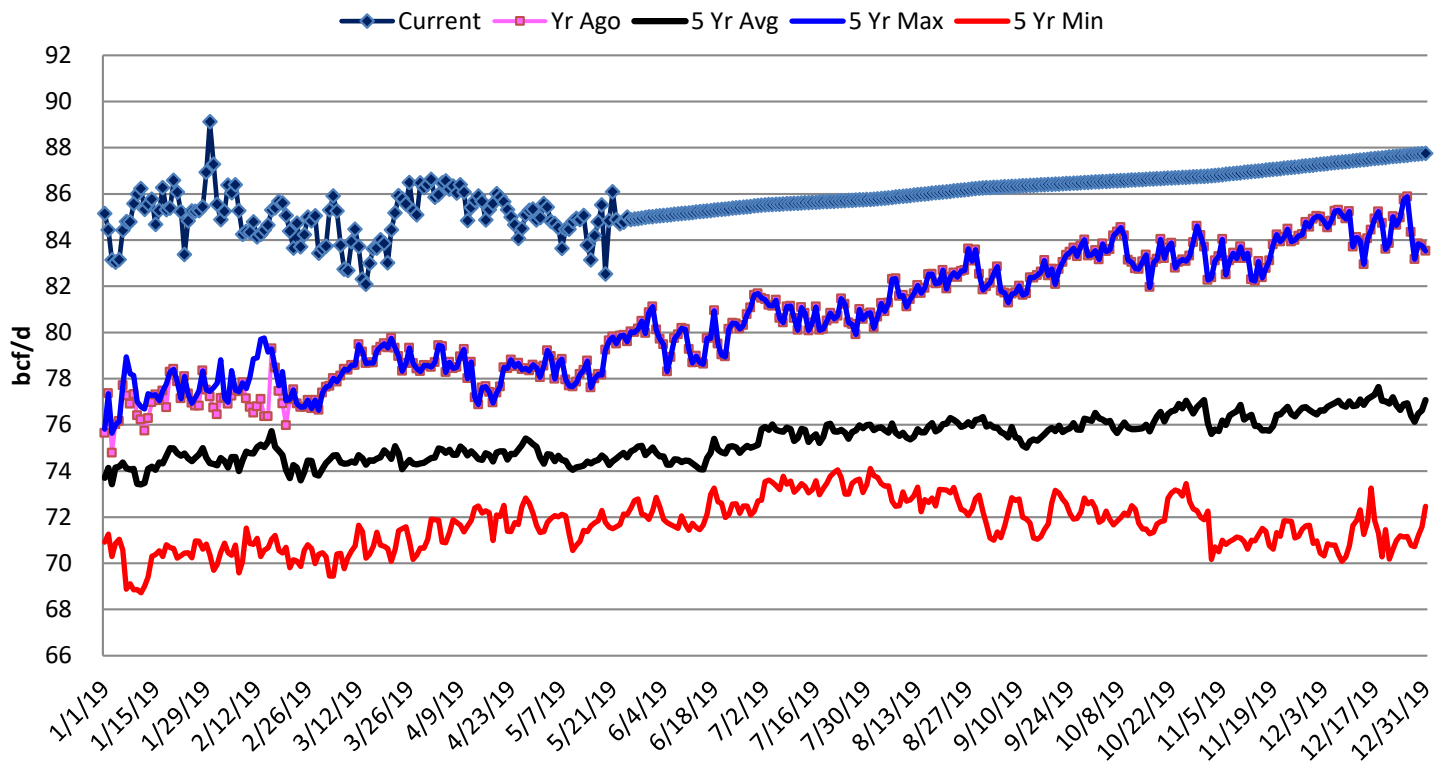
### US Total Working Gas Storage - Source - EIA



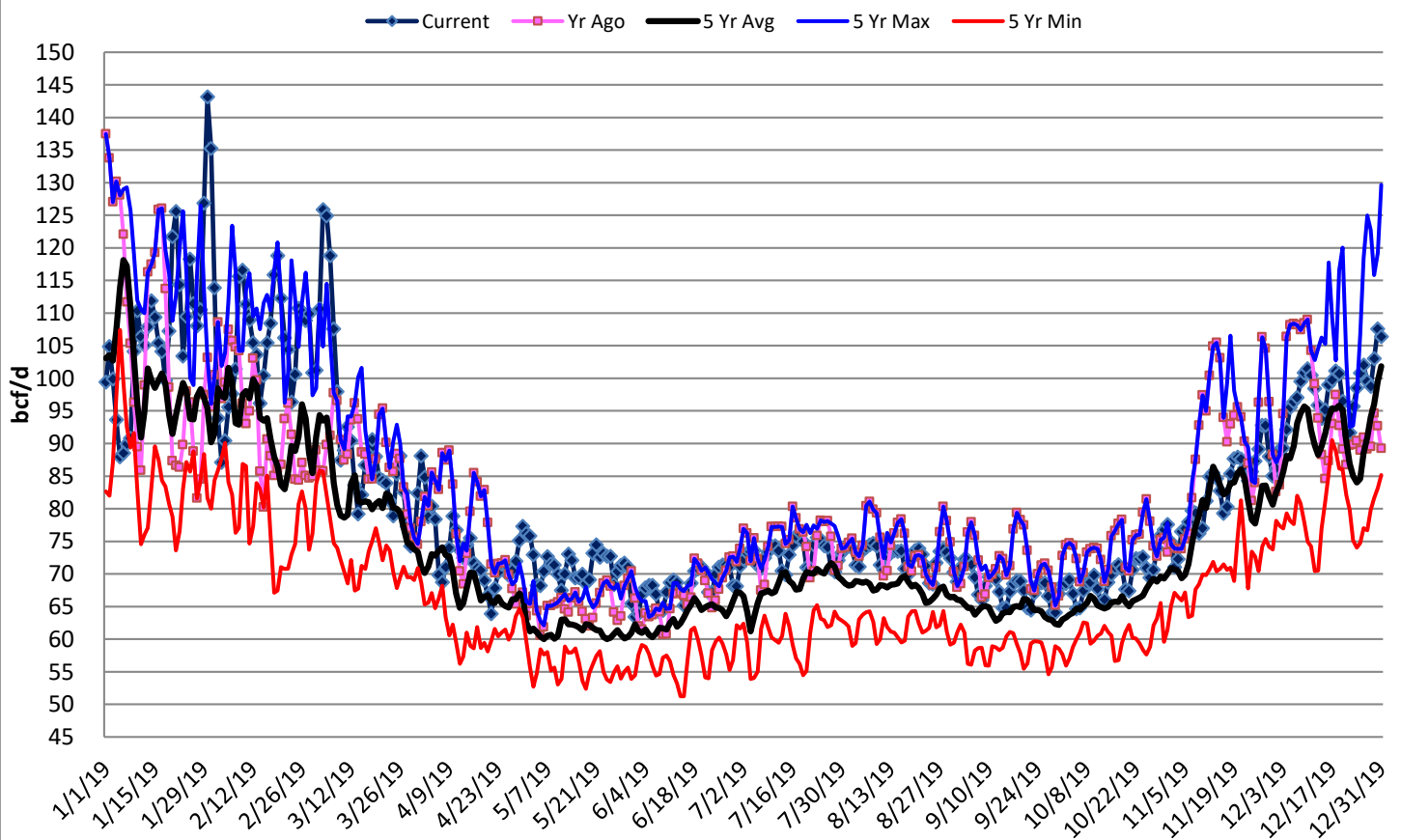
### Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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