NATURAL GAS MARKET UPDATE

June 7, 2019

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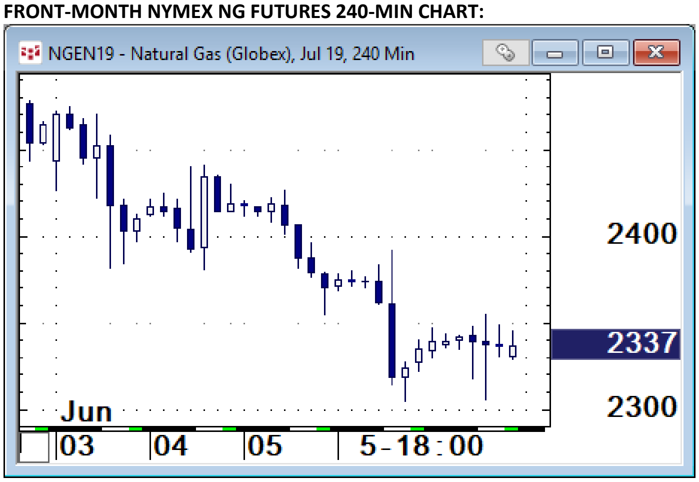
NYMEX HENRY HUB SETTLEMENT PRICES:

6/7/19	Settle	Season		Year	
Jul19	2.337	Jul19-Oct19	2.338	Cal 20	2.610
Aug19	2.331	Nov19-Mar20	2.663	Cal 21	2.637
Sep19	2.317	Apr20-Oct20	2.529	Cal 22	2.640
Oct19	2.367	Nov20-Mar21	2.788	Cal 23	2.711
Nov19	2.458	Apr21-Oct21	2.528	Cal 24	2.815
Dec19	2.660	Nov21-Mar22	2.798	Cal 25	2.928
Jan20	2.777	Apr22-Oct22	2.525	Cal 26	3.035
Feb20	2.750	Nov22-Mar23	2.809	Cal 27	3.161
Mar20	2.672	Apr23-Oct23	2.610	Cal 28	3.278

DOMINION-SOUTH FIXED-PRICE MARKETS (NYMEX/HENRY+ ICE DOM-SOUTH BASIS):

Jul-19	1.9570	Jul19-Oct19	1.8799
Aug-19	1.9435	Nov19-Mar20	2.3094
Sep-19	1.7795	Apr20-Oct20	2.0403
Oct-19	1.8395	Nov20-Mar21	2.3949
Nov-19	2.0480	Apr21-Oct21	2.0133
Dec-19	2.3125	Nov21-Mar22	2.3738
Jan-20	2.4245	Jul19-Jun20 (1 year)	2.1082
Feb-20	2.4150	Calendar 2020	2.1728
Mar-20	2.3470	Calendar 2021	2.1688
Apr-20	2.1460	Calendar 2022	2.1101
May-20	2.0445	Calendar 2023	2.1700
Jun-20	2.0415	Calendar 2024	2.2715

FRONT-MONTH NYMEX NG FUTURES 240-MIN CHART:



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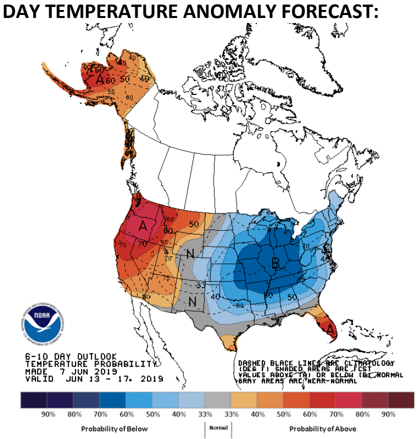
DAILY CASH MARKET PRICES (for GD7):

Columbia Gas Transmission (TCO)	2.125
Dominion South Point	2.025
Henry Hub	2.385
Sumas	1.345
Socal, citygate	2.660
Transco-Leidy (receipts)	2.095
Transco Zone 5 South	2.385
Waha	0.970

NOAA 6 TO 10 DAY TEMPERATURE ANOMALY FORECAST:



WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	5/31/2019	Build/(Draw)
Current Storage	1,986 Bcf	+119 Bcf
		Surplus/(Deficit)
Last Year Storage	1,804 Bcf	182 Bcf
5-Year Average	2,226 Bcf	(240) Bcf
ICE Traded Markets:		ICE Settle:
Weekly Storage Inventory Number (06/13/2019)		+97 Bcf
End of Injection Season Storage (11/14/2019)		3,684 Bcf

Market Commentary: The end of last week was not pretty for natural gas prices, breaking back below 2.50 once again for the second time this spring, but the last breach below that long-term support line proved to be a technical fake-out and prices instead turned themselves right back around and traded all the way back up to 2.70 two weeks ago, before encountering resistance and succumbing to selling pressure. Last week we held above the prior continuation chart low, but this week we opened in the mid-2.40's and took that 2.439 prior low out on Sunday night's open, traded down to a new low around 2.38, traded back up to 2.44, failed to regain it, then took out the 2.38 low, failed to get more than a penny above that on a move back up, and touched a new low of 2.305 yesterday afternoon, and we haven't been much above 2.35 since then as things have quieted right down and volatility has all but dried up. The scenario just described is a classic unfolding of a strong technical move, where once it breaks, what was support beneath the market (to hold up prices) then becomes overhead resistance that caps the market's attempt to rally. Eventually the market will find support and start on a path higher, and shorts will likely be pushed to cover and buy back their positions, but while the move has unfolded in a technical manner it has a strong fundamental explanation behind it as well, with production hovering just above 86 Bcf/day over the past several days, demand in a lull due to prevailing weather, and storage facilities filling up at a much faster pace than expected. Yesterday's storage report was pegged at +110 Bcf, and when the EIA instead reported that storage built by +119 Bcf prices tumbled and eventually printed that 2.305 low, which we got within a tick of this morning before moving back up a few cents. The potential for heat this summer remains a possible catalyst for a move back up, but if it turns out to be a dud of a summer in terms of cooling demand, things could get worse yet. Hurricane season officially began last Saturday with expectations for a normal level of tropical activity this hurricane season, but hurricanes aren't the bullish phenomenon for the NG market that they were 10 or 15 years ago, when the mere threat of a production-impacting storm could yield a price spike of a dollar or more (though prices were also much higher). These days, the demand destruction is the greater concern, so storms are thought to carry greater risks of bearish price reactions, which is not what this market needs right now.