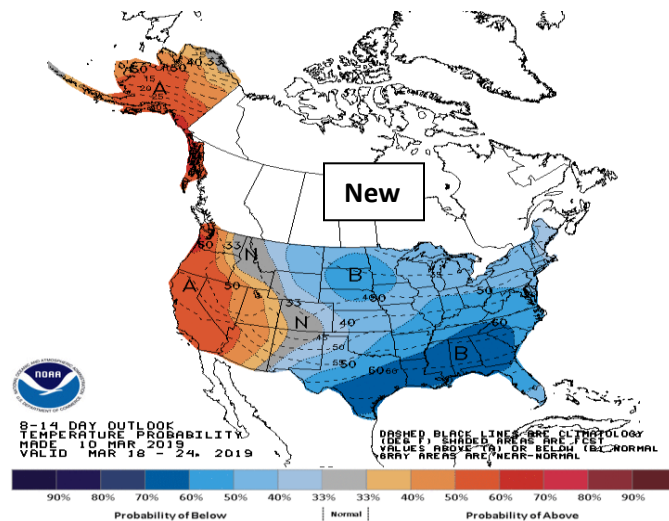
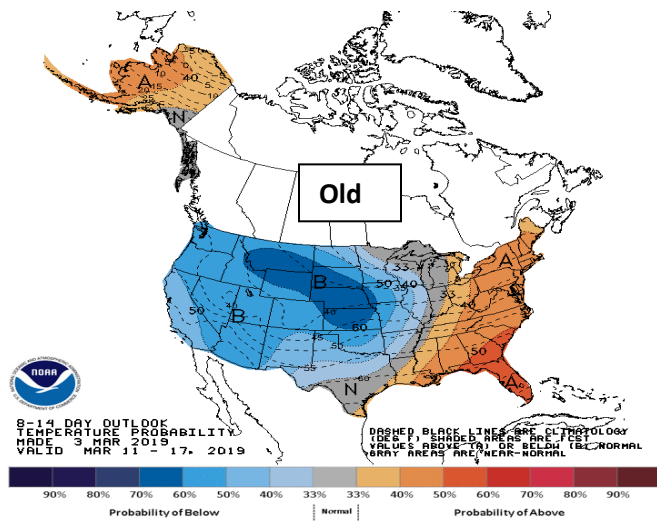


Market Update: 3/10/2019

Technicals: Natural gas has been trading either side of \$2.86 ish. It seems to be settling into a range. Stochastics remains pegged in overbought territory suggestion sellers may enter the market in coming days. MACD continues to trend higher and has moved above zero indicating the bulls are back in control. That said, price has not been able to break above \$2.94 the highs from December and January. I would not be surprised to see price remain range bound until Thursday's storage number.

Fundamentals: Last week's EIA's nat gas storage report came in slightly bullish to expectations and very bullish relative to the 5-year average pushing the deficit to 25% below the 5-year average. The recent below normal temps will bring us another bullish storage number next week further dropping storage levels. NOAA's 8-14 shows below normal temps again, but warmer spring temps are coming soon easing demand. That said, with storage levels at crazy low levels the market may fear summer heat ultimately supporting price in the summer months.

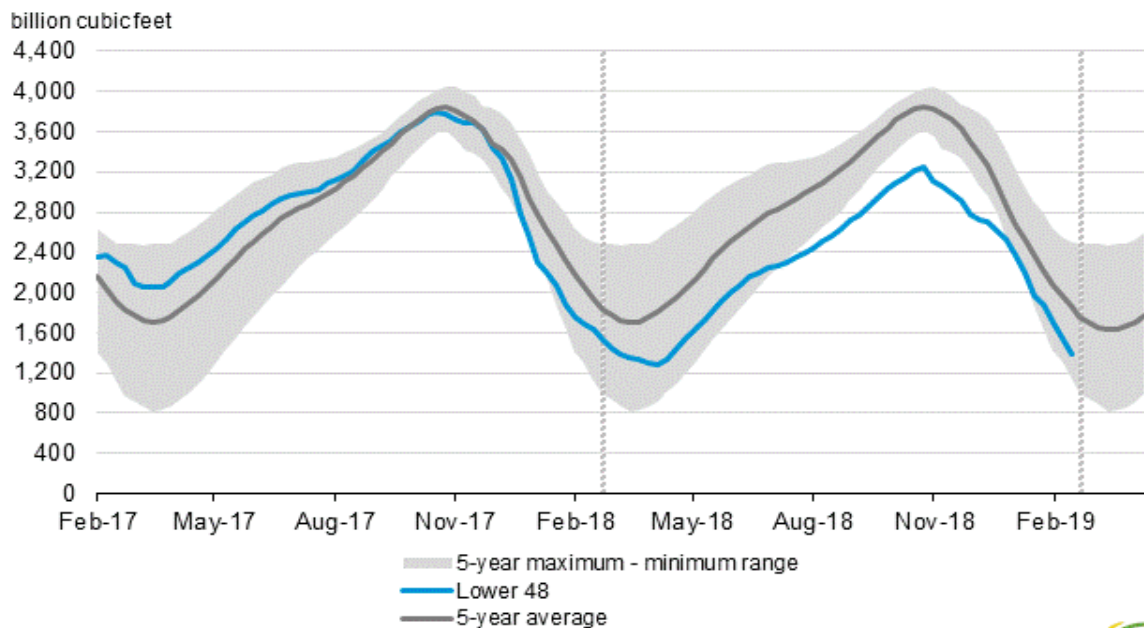


Final Thoughts: For those with expiration dates coming up in the next 6 months or so, I would consider requesting pricing. For those willing to take more risk, you may want to wait and see if prices drift lower possibly testing support at \$2.75 - \$2.70. That being said, if you're able to lock in a savings and remove storage and summer weather risk I would strongly consider it. I noted in the Feb 10th report that seasonally the market tends to put in a low in February. On Feb 7 the market made a low at \$2.565 and has since rallied. It's been a nice run, so a pullback would not be out of the question, and most definitely a welcomed second chance to lock in lower levels.

July 2019 nat gas contract.



Working gas in underground storage compared with the 5-year maximum and minimum



Source: U.S. Energy Information Administration



Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2014 through 2018. The dashed vertical lines indicate current and year-ago weekly periods.