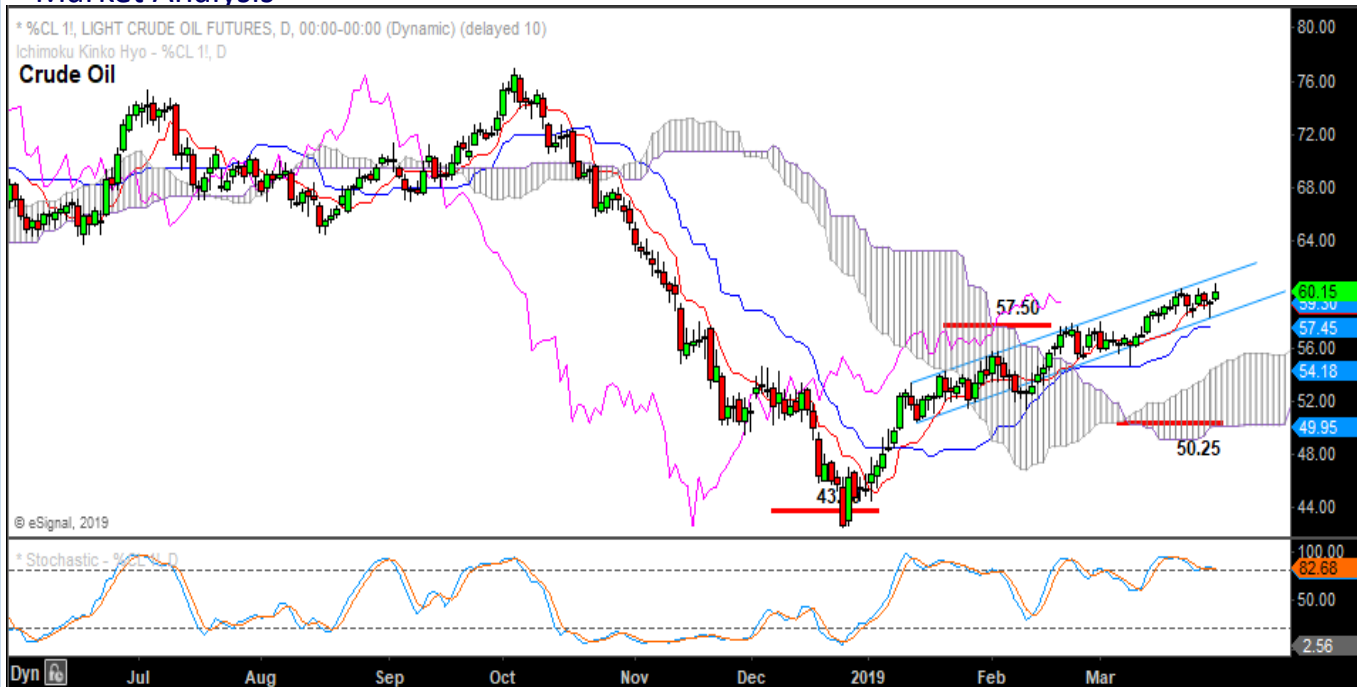


# Long & Short

## In the news:

- There is a lot of talk about the inverted yield curve indicating a coming recession. I don't see anything that would take us from 2.2% growth to a recession any time soon. Employment continues to be strong, earnings are healthy, and the fed has made it clear we may not see another rate increase this year. Global growth is slowing, but it is still not enough reason to see a recession here. US debt is a concern, at some point, but the Fed may have helped us there in the short term by halting rate increases.
- Producers are paying people to take natural gas off their hands in West Texas, on top of flaring as much as 400,000 dth a day. With oil prices strong, and no sign of production cuts, associated gas may keep prices low until Fall when more pipeline capacity comes online.

## Market Analysis



**Crude Oil:** Crude continues to climb higher in the channel. Higher target at \$63.75, and a break below the channel would trigger a first target of \$55.25. We have been on a long climb over the past three months but only a break below the channel would support a short trade. Until then, stay long. Even the Trump tweet yesterday could not hold prices down for more than a few hours.

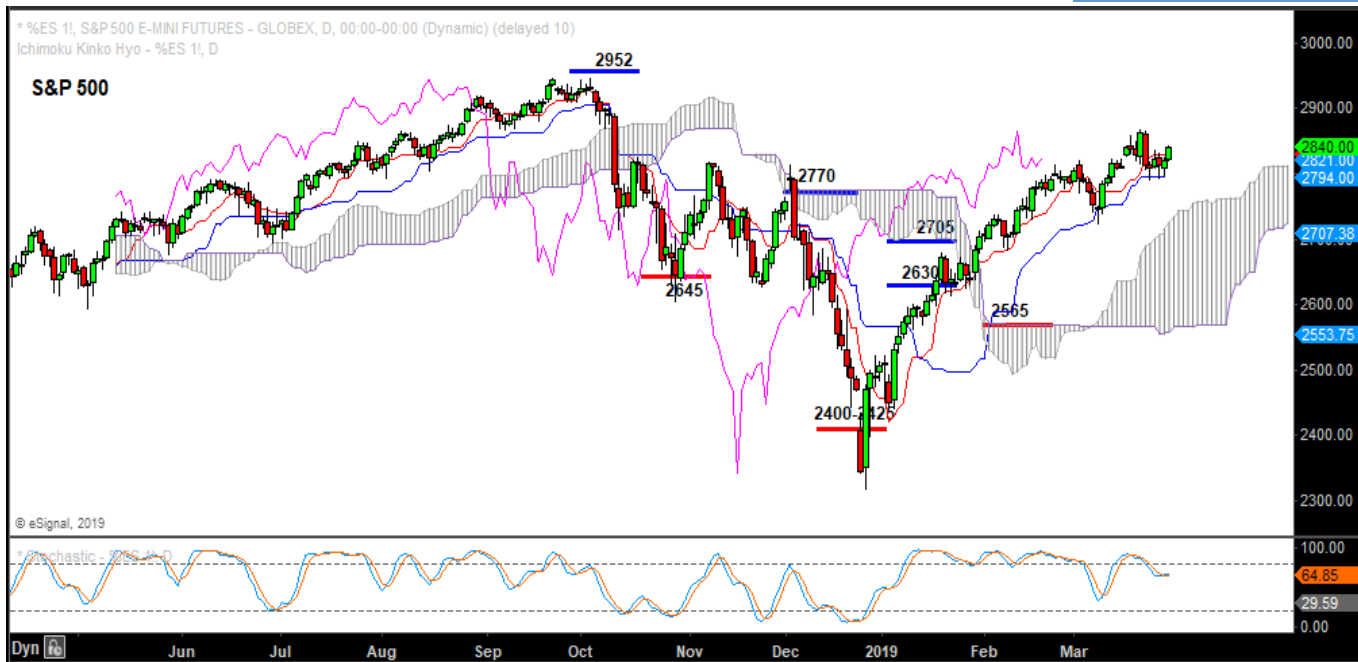


**Natural Gas:** Early spring range bound trading continues in natural gas. With little price direction and volatility, better to stay on the sidelines unless you are day trading to pick up a few cents in each direction. With global LNG prices breaking below \$5, we may see prices grind in bearish territory for a long time.

Storage currently at 1,107 Bcf after a 36 Bcf withdrawal for the week ending March 22, 2019. Natural gas storage level is now 285 Bcf below last year's level and 551 Bcf below the 5-year average.

**Power:**

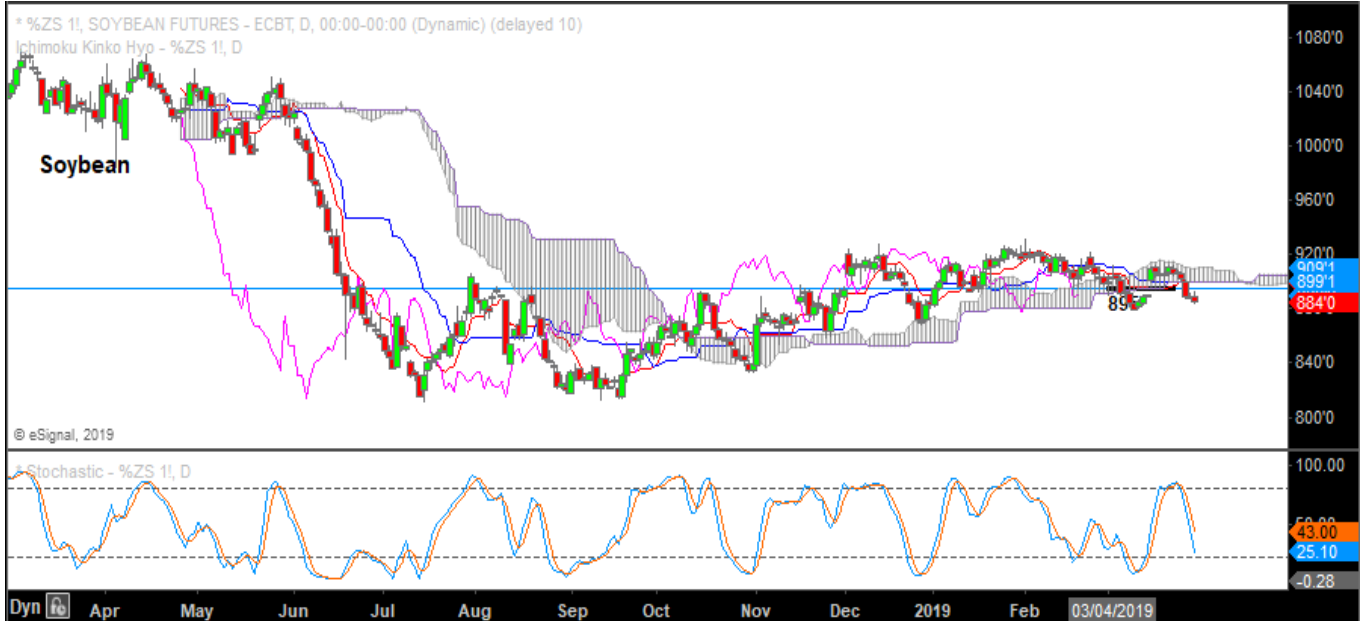
Monthly Day-Ahead Peak Fixed Price Futures Settlements in \$/MWh															
Contract	PJM West Hub			MISO Indiana Hub			NYISO Zone J			ERCOT North			CAISO SP-15		
Month	03/14/19	02/28/19	Change	03/14/19	02/28/19	Change	03/14/19	02/28/19	Change	03/14/19	02/28/19	Change	03/14/19	02/28/19	Change
May-19	34.35	36.10	(1.75)	35.15	36.20	(1.05)	34.60	35.15	(0.55)	32.06	33.86	(1.80)	27.50	27.50	0.00
Jun-19	34.00	34.95	(0.95)	34.05	35.00	(0.95)	37.10	37.65	(0.55)	45.02	48.67	(3.65)	41.50	42.25	(0.75)
Jul-19	39.65	39.85	(0.20)	39.50	39.70	(0.20)	48.90	49.45	(0.55)	96.53	98.76	(2.23)	72.55	76.45	(3.90)
Aug-19	37.50	37.55	(0.05)	37.35	37.40	(0.05)	43.80	44.20	(0.40)	161.38	160.05	1.33	83.55	85.65	(2.10)
Sep-19	36.55	36.85	(0.30)	36.70	36.60	0.10	39.60	40.40	(0.80)	38.51	40.11	(1.60)	53.65	54.25	(0.60)
Oct-19	34.65	35.15	(0.50)	34.60	35.15	(0.55)	36.10	35.45	0.65	30.98	31.74	(0.76)	45.05	45.45	(0.40)
Nov-19	35.00	35.50	(0.50)	33.90	34.50	(0.60)	40.80	41.15	(0.35)	25.81	26.83	(1.02)	42.90	43.50	(0.60)
Dec-19	38.10	38.45	(0.35)	35.25	35.75	(0.50)	52.25	52.30	(0.05)	25.70	26.47	(0.77)	49.50	49.70	(0.20)
Jan-20	51.75	51.65	0.10	40.85	40.70	0.15	73.90	73.55	0.35	31.46	32.30	(0.84)	47.10	46.45	0.65
Feb-20	48.85	48.70	0.15	38.35	38.20	0.15	68.50	68.15	0.35	31.61	32.41	(0.80)	44.95	44.40	0.55
Mar-20	37.95	38.45	(0.50)	34.95	35.35	(0.40)	45.25	45.90	(0.65)	29.01	29.57	(0.56)	38.65	38.95	(0.30)
Apr-20	34.35	35.30	(0.95)	33.90	34.80	(0.90)	38.70	39.55	(0.85)	26.91	27.25	(0.34)	25.15	24.10	1.05



**S&P 500:** No change in commentary on this chart—continue to stay long, we are not seeing any sell signals yet. Support should show up at 2795 and 2725. With the Mueller report behind us, tariff talks continuing to show progress, and economy growing at a not great but not bad 2.2%, we are likely to see a slow trek up.



**Gold:** Things turned for the worse on this chart yesterday and the stop for our long trade is now moved up to 1290 which is right where we are trading right now. It seems likely that we will break below triggering a close of our long. If so, I would stay on the sidelines waiting for the next signal.



**Soybean:** Still no trade on this contract. This is showing no life even with some positive news on tariff talks.



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