

Early Morning Update:

The Sep18 natural gas contract is trading down \$.031 at \$2.92. The Sep18 crude contract is up \$0.35 at \$67.16.

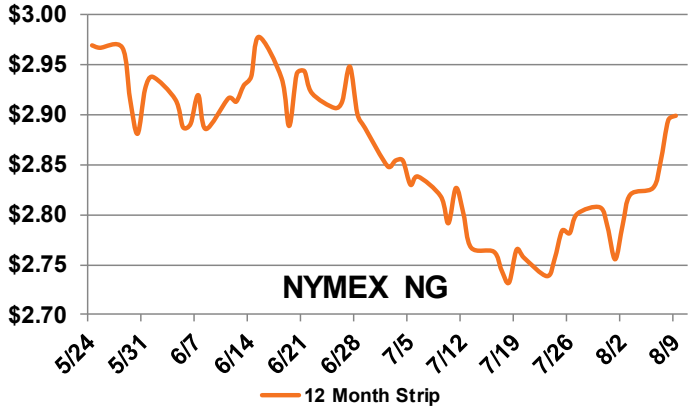
Summary: After an on-par storage report, the market ended the day quietly by finishing up a slight \$.006 to close at \$2.955. The EIA reported a build into storage of 46 Bcf, which was above last years' injection of 29 Bcf but below the 5-year average of 53 Bcf. On the power side, we're continuing to see prices creep higher with strong summer demand and regional basis increases. California in particular continues to move higher as short-term prices there have been exceeding \$100 due to high demand and gas constraints. Weather forecasts show a continuation of the pattern that has been in place for several weeks now: very hot conditions on the west coast and north east, while the mid-con area is normal or even below-average.

Bullish Factors

- High power burns
- LNG exports ramping up
- Warmer-than-normal weather

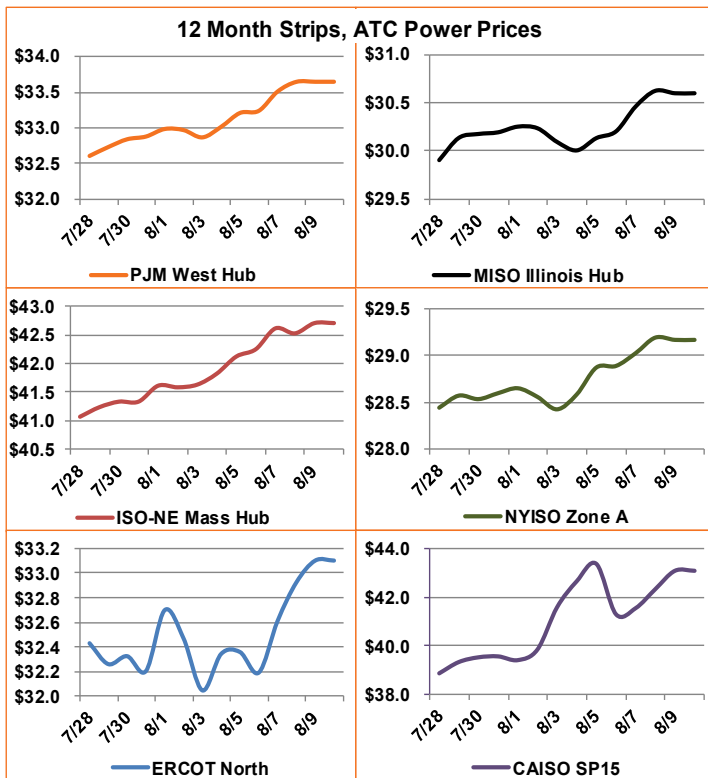
Bearish Factors

- Record NG production
- Growing renewable energy generation
- Higher associated gas production



Next Day On-Peak Power (traded for 8/10/2018)

ISO-NE Mass Hub \$41.43	MISO Indiana Hub \$38.42	NYISO Zone G \$41.64
PJM West Hub \$37.98	ERCOT North \$32.00	CAISO SP15 \$110.59
NYMEX NG	Close	Change
Sep-18	2.955	0.006
Oct-18	2.959	0.004
12 Month	2.899	0.004
Cal 19	2.825	0.007
Cal 20	2.653	0.012



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,354	2,308	3,025	2,926
Diff v. Current		46	-671	-572
% Diff			-22.2%	-19.5%

