

Early Morning Update:

The Sep18 natural gas contract is trading down \$0.01 at \$2.95. The Sep18 crude contract is down \$0.59 at \$66.45.

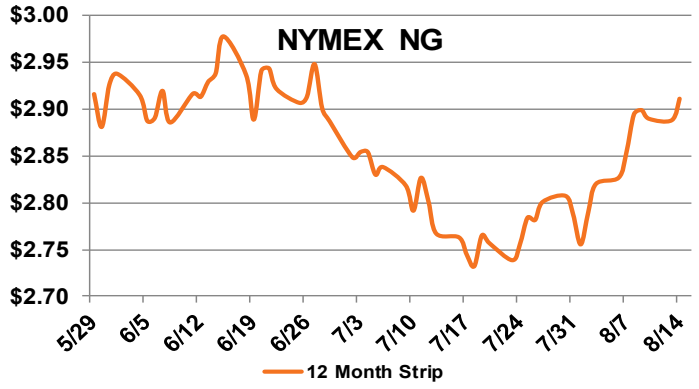
Summary: After losing a total of 2.5 cents in the prior two trading sessions, the September NYMEX contract continued its search for direction yesterday. Supported by low natural gas stockpiles, but limited by strong domestic natural gas production, the prompt month contract gained back 2.9 cents yesterday to settle at \$2.959/MMBtu. While U.S. dry natural gas production set another all-time record at 82.1 Bcf on Monday, August 13, estimates for today's production slipped by over 1.0 Bcf/d. With growth anticipated in most demand sectors, natural gas production will need to increase in order to alleviate some of the storage concerns that have set into the market. Near-term weather outlooks support growth to natural gas storage, if cooler temperatures and demand relief are actualized. Currently, natural gas storage sits at 2.354 Tcf, a 22% deficit to last year and a 20% deficit to the 5-year average.

Bullish Factors

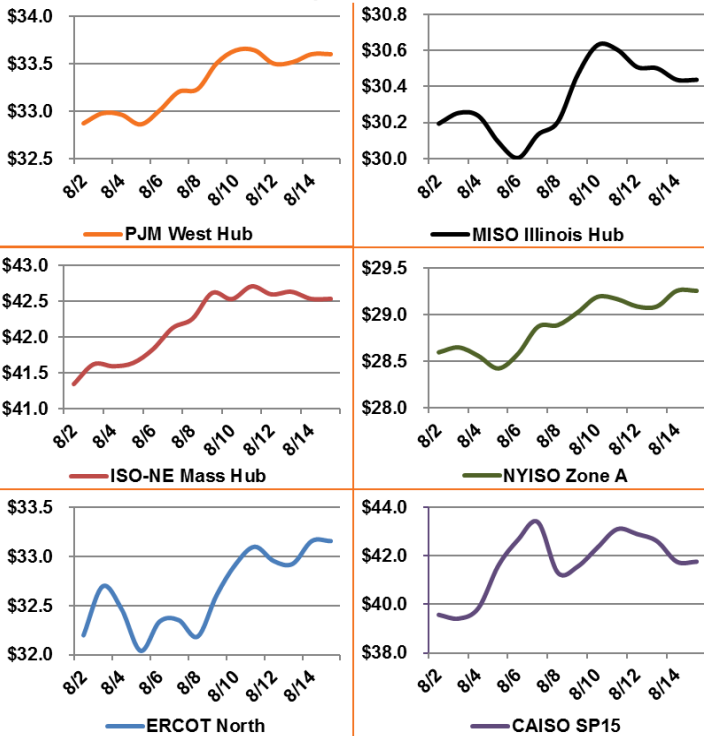
- High power burns
- LNG exports ramping up
- Warmer-than-normal weather

Bearish Factors

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



12 Month Strips, ATC Power Prices

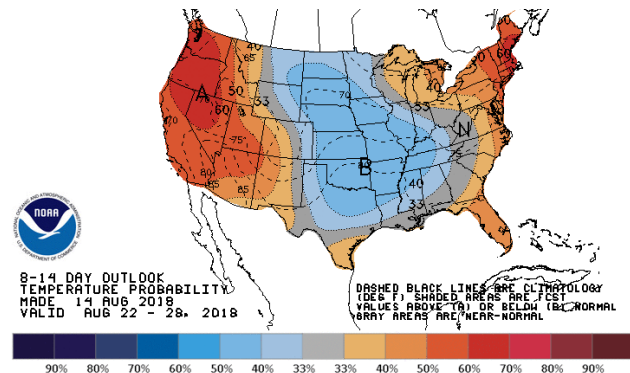
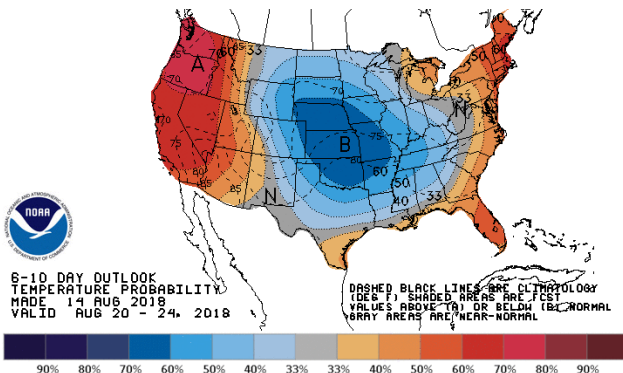


Next Day On-Peak Power (traded for 8/15/2018)

ISO-NE Mass Hub \$46.77	MISO Indiana Hub \$38.00	NYISO Zone G \$42.95
PJM West Hub \$39.81	ERCOT North \$37.73	CAISO SP15 \$76.71
NYMEX NG		
	Close	Change
Sep-18	2.959	0.029
Oct-18	2.966	0.030
12 Month	2.911	0.023
Cal 19	2.839	0.016
Cal 20	2.667	0.006

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%



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