

**Early Morning Update:**

The Sep18 natural gas contract is trading up \$0.03 at \$2.97. The Sep18 crude contract is up \$0.87 at \$67.30.

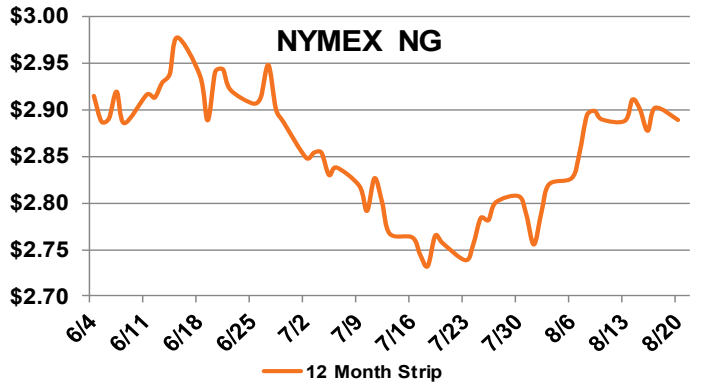
**Summary:** Natural gas futures remained relatively stable on Monday, as production levels continued close to the all-time highs set over the weekend. The September prompt month lost less than a cent to \$2.941/MMBtu, the 12-month strip dropped a penny to \$2.889, and the 2019 and 2020 years both moved down less than a cent to \$2.822 and \$2.655, respectively. The effect of a brand-new all-time high production level of 82.7 Bcf/d over the weekend overflowed to Monday, as production stayed elevated above 82 Bcf/d. Current weather forecasts show more mild temperatures throughout this weekend, but a significant heat-up for most of the country is on the horizon for the 6-20 day outlooks, as the last week of August progresses into September. This late season heat is likely to bolster demand, and could potentially edge the market over the \$3.00 resistance level that has lingered for most of 2018.

**Bullish Factors**

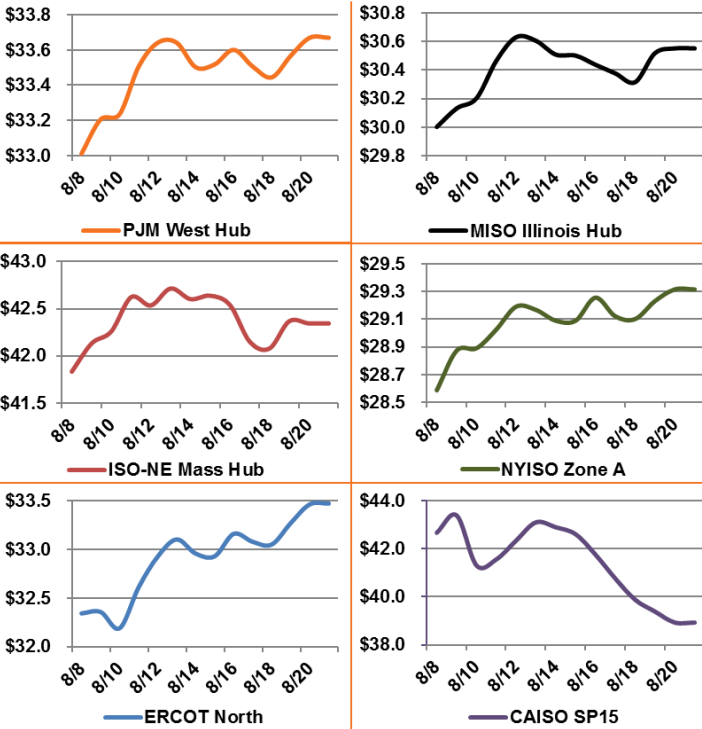
- High power burns
- LNG exports ramping up
- Warmer-than-normal weather

**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 8/21/2018)**

<b>ISO-NE Mass Hub</b> \$30.02	<b>MISO Indiana Hub</b> \$30.48	<b>NYISO Zone G</b> \$33.01
<b>PJM West Hub</b> \$33.20	<b>ERCOT North</b> \$53.55	<b>CAISO SP15</b> \$57.61
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
<b>Sep-18</b>	2.941	-0.005
<b>Oct-18</b>	2.932	-0.017
<b>12 Month</b>	2.889	-0.013
<b>Cal 19</b>	2.823	-0.009
<b>Cal 20</b>	2.655	-0.003

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	2,387	2,354	3,074	2,982
<b>Diff v. Current</b>		33	-687	-595
<b>% Diff</b>			-22.3%	-20.0%

