

**Early Morning Update:**

The Sep18 natural gas contract is trading down \$0.01 at \$2.94. The Oct18 crude contract is down \$0.05 at \$67.81.

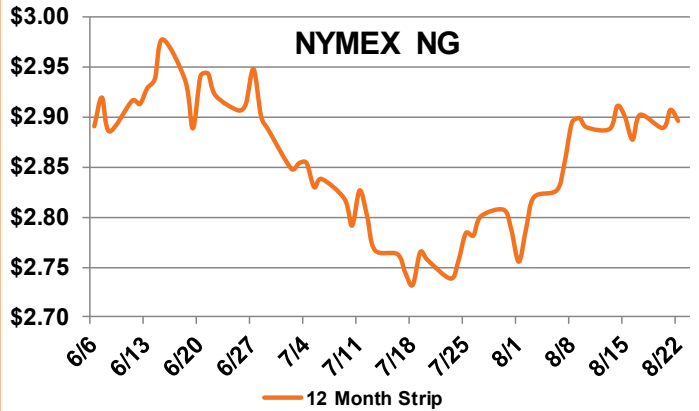
**Summary:** The NG prompt month saw a slight drop in prices Wednesday closing down \$.024 to finish the day at \$2.956. The prompt month has been threatening the key \$3 resistance level for roughly two weeks, without ever having broken through. The market has defended the \$3 level before, notably in mid-June when prices briefly broke through then sold-off. The market is being supported right now by very bullish weather forecasts for the east coast starting this weekend. While the east coast is experiencing a respite this week, significant heat will return and linger for at least a week. This will likely cause higher power burns as air-conditioners get cranked up. And this will not help the already large Y-o-Y storage deficit. End/summer storage estimates are currently ~3.37 TCF, well below last years' 3.788 and the 5 YA at 3.829

**Bullish Factors**

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

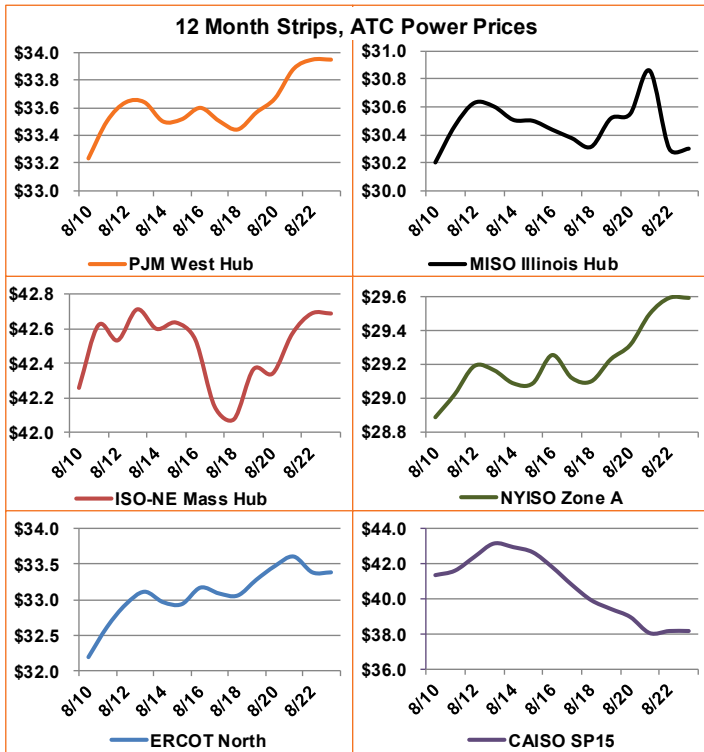
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 8/23/2018)**

ISO-NE Mass Hub \$30.59	MISO Indiana Hub \$29.75	NYISO Zone G \$31.41
PJM West Hub \$29.86	ERCOT North \$39.20	CAISO SP15 \$42.56
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Sep-18	2.956	-0.024
Oct-18	2.944	-0.020
12 Month	2.896	-0.011
Cal 19	2.827	-0.006
Cal 20	2.653	-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%

