

Early Morning Update:

The Sep18 natural gas contract is trading down \$0.02 at \$2.94. The Oct18 crude contract is up \$1.31 at \$69.14.

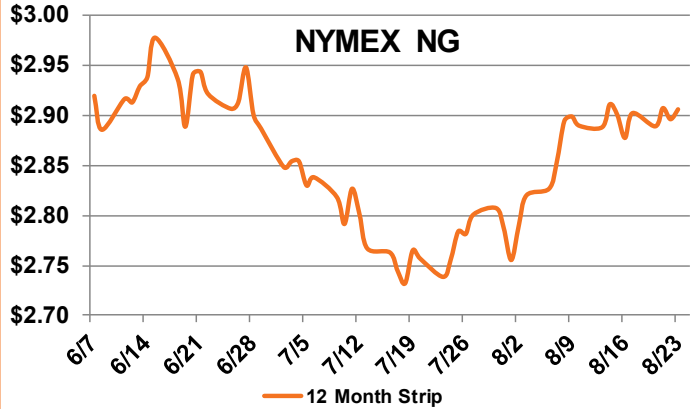
Summary: The NYMEX prompt month expired nearly flat yesterday, closing up \$.008 to finish the day at \$2.964. The market barely moved after the EIA reported a on-par with expectations build of 48 Bcf into storage. We've been hovering near the \$3.00 level for a few weeks now with no success at breaking above that price. The weather forecasts are certainly bullish now, with much above-average temperatures forecasted for much of the next three weeks. With the higher temps should come higher a/c demand and higher use of NG, furthering the trend of low storage injections. Latest estimates for end/summer storage are near 3.37 Tcf, well below recent history.

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 8/24/2018)

ISO-NE Mass Hub \$33.44	MISO Indiana Hub \$29.30	NYISO Zone G \$31.39
PJM West Hub \$28.66	ERCOT North \$37.60	CAISO SP15 \$35.04
NYMEX NG	Close	Change
Sep-18	2.964	0.008
Oct-18	2.953	0.009
12 Month	2.906	0.010
Cal 19	2.837	0.010
Cal 20	2.659	0.006

EIA Natural Gas Storage				
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,435	2,387	3,119	3,034
Diff v. Current		48	-684	-599
% Diff			-21.9%	-19.7%

