

Early Morning Update:

The Oct18 natural gas contract is trading up \$0.02 at \$2.84. The Oct18 crude contract is down \$0.87 at \$69.00.

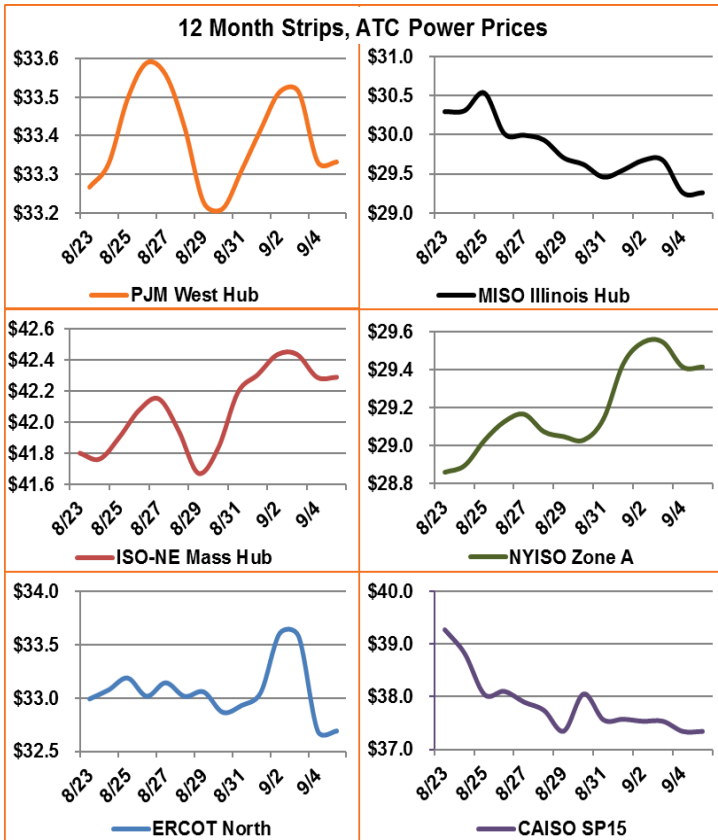
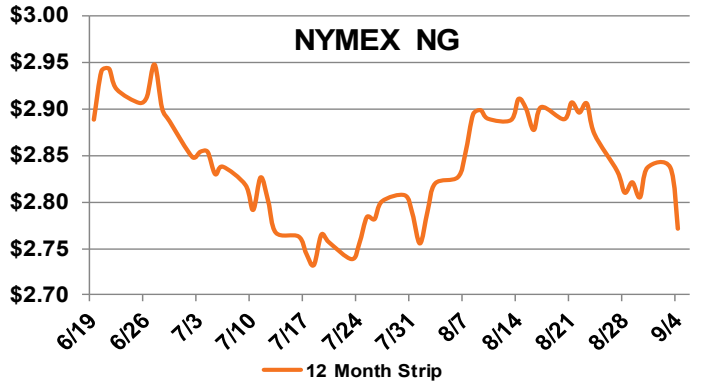
Summary: After gaining 4.2 cents during Friday's trading session, upon cooler revisions to near-term weather outlooks and robust natural gas production over the weekend, the prompt month slid right back down, losing 9.3 cents on the day to settle at \$2.823/MMBtu yesterday, the lowest October 2018 settlement since August 1, 2018. Despite longer-term bullish sentiments from growing export and domestic power burn demand with the U.S. generation mix moving towards a greater reliance on natural gas, all terms through 2024 were down yesterday, with 2023 setting a new all-time trading low at \$2.5953/MMBtu. Calendar strips 2020-2024 lost an average of 1.7 cents and are now trading in a tight, 11 cent range, between \$2.55-\$2.66.

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 9/5/2018)

ISO-NE Mass Hub \$66.30	MISO Indiana Hub \$45.42	NYISO Zone G \$53.50
PJM West Hub \$51.88	ERCOT North \$31.93	CAISO SP15 \$43.83
NYMEX NG		
	Close	Change
Oct-18	2.823	-0.093
Nov-18	2.842	-0.097
12 Month	2.772	-0.066
Cal 19	2.735	-0.052
Cal 20	2.615	-0.021

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,505	2,435	3,151	3,093
Diff v. Current		70	-646	-588
% Diff			-20.5%	-19.0%

