

Early Morning Update:

The Oct18 natural gas contract is trading up \$0.03 at \$2.86. The Oct18 crude contract is up \$0.85 at \$70.10.

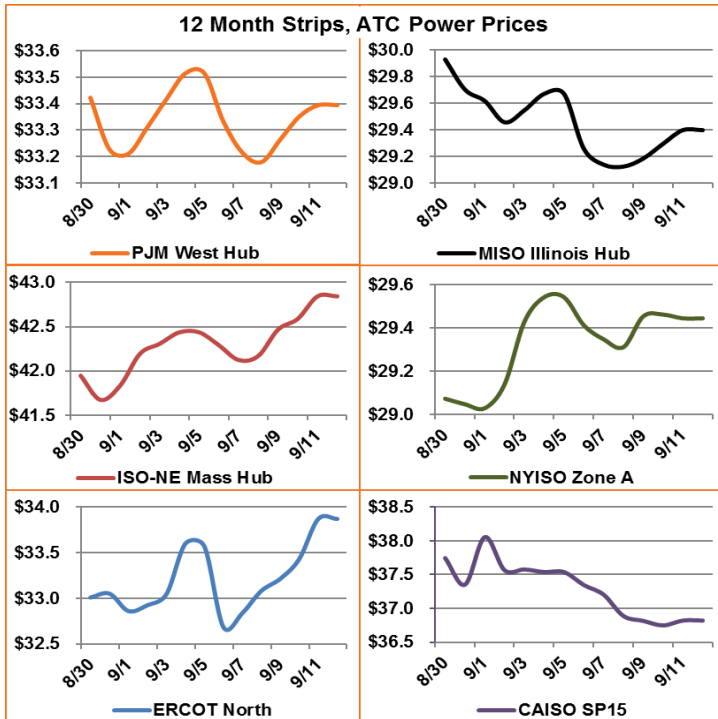
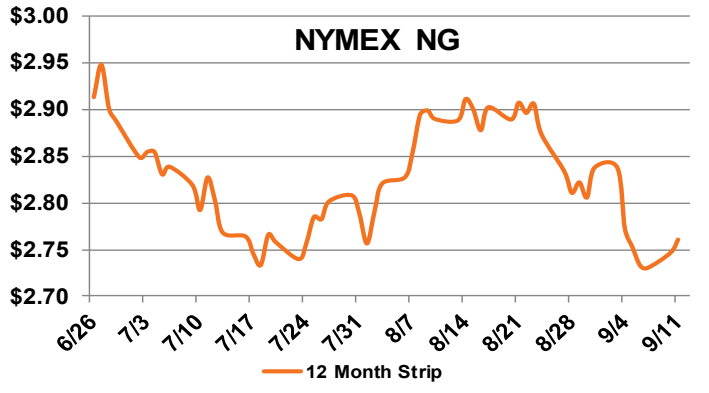
Summary: After gaining 2.8 cents during Monday's trading session, despite bearish near-term demand fundamentals, the prompt month continued its upward trend yesterday, gaining 2.4 cents to settle at \$2.828/MMBtu, nearly unchanged week-over-week. The Mid-Atlantic is bracing for Hurricane Florence, currently a category 4 hurricane with 130 mph winds sitting in the Atlantic ocean, expected to make landfall in the Carolinas late Thursday or early Friday morning. Depending on the path, Appalachian natural gas production, pipeline expansion projects, and the Cove Point LNG export facility, could be impacted by the storm. With the pipeline explosion that occurred outside Pittsburgh, PA, earlier this week, which may have been caused by a landslide due to Hurricane Gordon remnants, it is best for the industry to be prepared. Since the explosion, several local lawmakers have called for a halt to pipeline construction. While no one was injured in this instance, it is likely that there will be growing scrutiny over expansion projects in the future.

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 9/12/2018)

ISO-NE Mass Hub \$34.10	MISO Indiana Hub \$30.50	NYISO Zone G \$37.30
PJM West Hub \$37.46	ERCOT North \$27.28	CAISO SP15 \$33.85
NYMEX NG	Close	Change
Oct-18	2.828	0.024
Nov-18	2.827	0.019
12 Month	2.760	0.014
Cal 19	2.724	0.011
Cal 20	2.615	0.006

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,568	2,505	3,211	3,158
Diff v. Current		63	-643	-590
% Diff			-20.0%	-18.7%

