

Early Morning Update:

The Oct18 natural gas contract is trading up \$0.01 at \$2.92. The Oct18 crude contract is up \$0.13 at \$71.25.

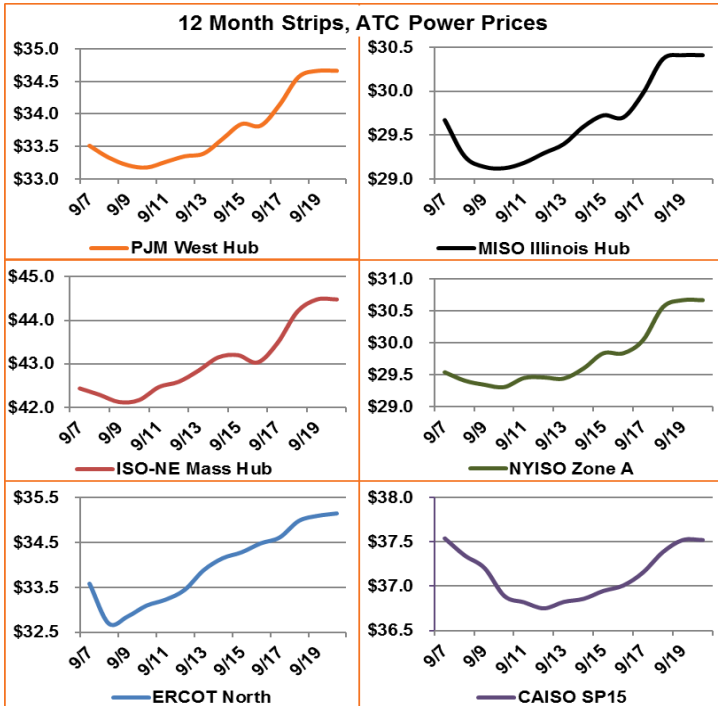
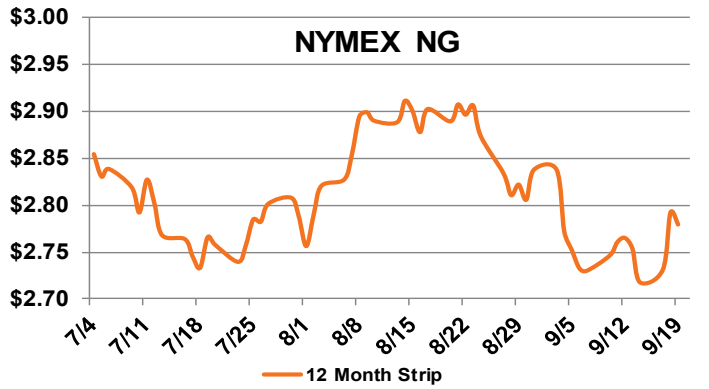
Summary: With signs of easing of the demand for natural gas, the prompt month NYMEX contract slipped 2.5 cents yesterday to settle at \$2.908/MMBtu. Most of the decline in demand came from the power generation sector, which dropped 1.4 Bcf/d from yesterday to 37.3 Bcf/d. Power burn has averaged 33.7 Bcf/d so far this month, with September expected to set an all-time high demand at 31.6 Bcf/d. Cooler temperatures are beginning to set in across most of the country, which is helping relieve some of the natural gas demand as we move further into the shoulder season. The market is anticipating the U.S. Energy Information Administration to report an injection into storage for the week ending Sep. 14 in the low 80s. A build of this size would be larger than the five-year average, a rare occurrence in this storage-building season. However, the next two projected injections are expected to total about 36 Bcf less than the 5YA. According to Platts Analytics, their end-of-season storage level estimate is now 3.26 Tcf, 15% below the 5YA and the lowest level seen in over a decade.

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

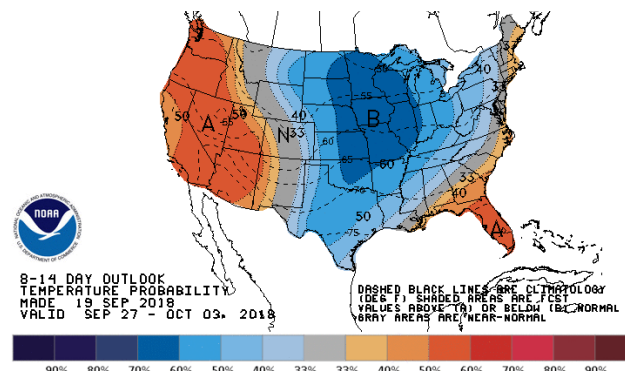
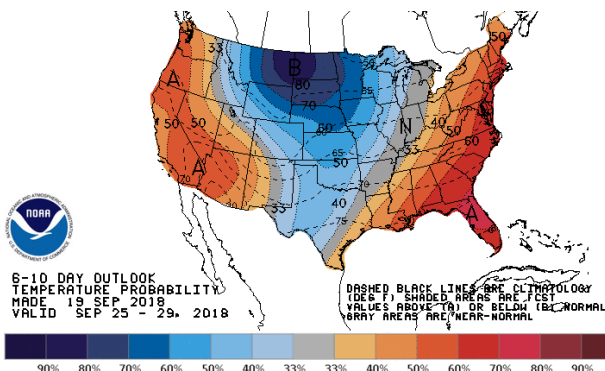


Next Day On-Peak Power (traded for 9/20/2018)

ISO-NE Mass Hub \$33.94	MISO Indiana Hub \$63.73	NYISO Zone G \$38.92
PJM West Hub \$49.22	ERCOT North \$36.21	CAISO SP15 \$42.80
NYMEX NG		
	Close	Change
Oct-18	2.908	-0.025
Nov-18	2.882	-0.014
12 Month	2.779	-0.013
Cal 19	2.729	-0.012
Cal 20	2.619	-0.015

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,636	2,567	3,298	3,232
Diff v. Current		69	-662	-596
% Diff			-20.1%	-18.4%



This document is for informational purposes only. All the information provided is "as is" and is not intended for trading purposes or advice. Direct Energy makes no representations or warranties, express or implied, as to the quality, accuracy, completeness, or reliability of the information provided in this newsletter. Further, Direct Energy is not liable for any informational errors or incompleteness or for any actions taken in reliance on information contained herein. Direct Energy® and the Energy Bolt design are registered trademarks of Direct Energy Marketing Limited.