

**Early Morning Update:**

The Oct18 natural gas contract is trading down \$0.02 at \$2.95. The Oct18 crude contract is up \$0.42 at \$70.74.

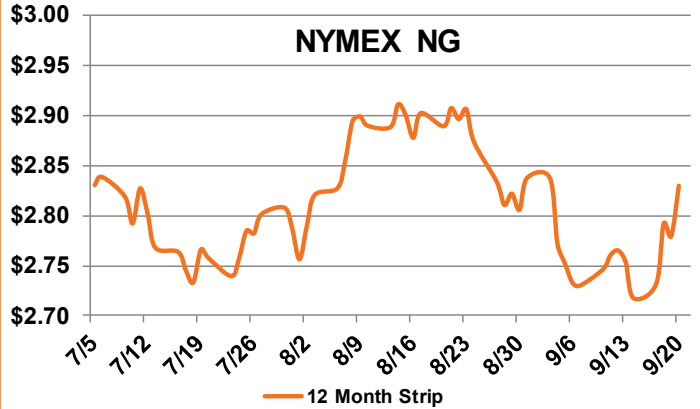
**Summary:** Gas and power markets continued their march higher yesterday as concerns over winter grow. A relatively bearish storage report of +86 Bcf was not enough to offset strength in the market. The prompt month NG contract has moved from \$2.76 last Friday to close at \$2.97 yesterday. Whether pricing can break through the stubborn resistance level of \$3.00 remains to be seen. It has tried and failed twice in recent months before slipping. Power prices have also gained strength, in all markets. The lingering summer that appears to be continuing into maintenance season and higher basis markets have pushed power markets to strengthen. Index prices are also higher than this time last year, typically a period of relatively low demand. This highlights the above average temps that have been present for much of the country.

**Bullish Factors**

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

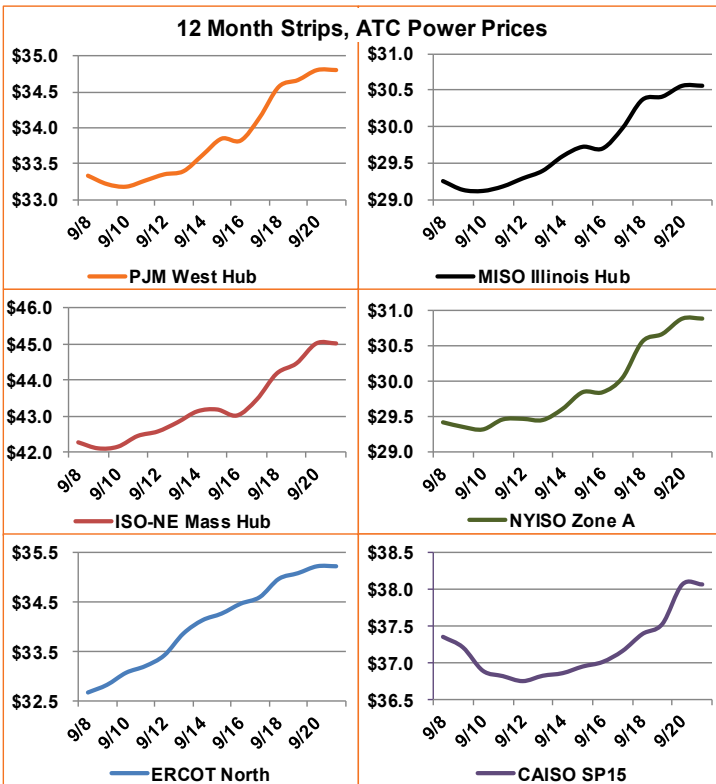
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 9/21/2018)**

<b>ISO-NE Mass Hub</b> \$37.09	<b>MISO Indiana Hub</b> \$43.07	<b>NYISO Zone G</b> \$39.57
<b>PJM West Hub</b> \$47.71	<b>ERCOT North</b> \$31.00	<b>CAISO SP15</b> \$38.60
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Oct-18	2.976	0.068
Nov-18	2.964	0.082
12 Month	2.829	0.050
Cal 19	2.767	0.038
Cal 20	2.640	0.021



**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>	2,722	2,636	3,298	3,232
<b>Diff v. Current</b>		86	-576	-510
<b>% Diff</b>			-17.5%	-15.8%

