

Early Morning Update:

The Oct18 natural gas contract is trading up \$0.01 at \$2.99. The Oct18 crude contract is up \$1.42 at \$72.20.

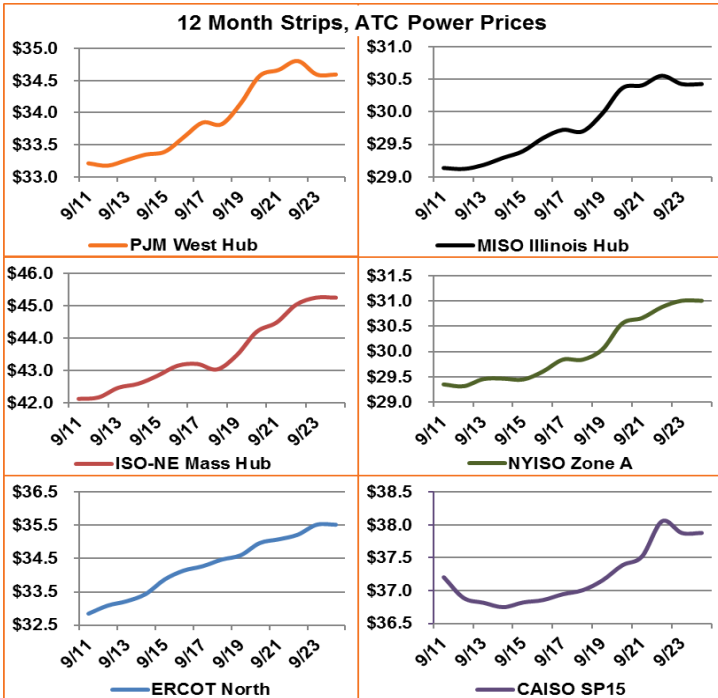
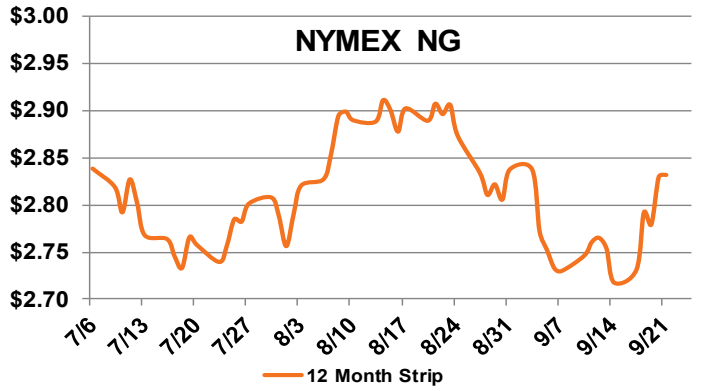
Summary: On Friday, the October 2018 NYMEX natural gas futures price moved slightly higher by 0.1 cent on the day to settle at \$2.977/MMBtu. Over the past week, gas has surged almost 25 cents higher, caused by upward pressure due to higher year-over-year powerburn demand levels for natural gas and the large storage deficit to historical benchmarks. The 1-5 and 6-10 day weather forecasts show some cooler-than-normal temperatures contained in the Northwest region, with most of the warmer-than-normal temperatures in the Southeast. The market is awaiting preliminary winter weather forecasts, which will affect prices if they call for cooler or warmer weather. So far for the month of September, powerburns are averaging over 35 Bcf/d, over six Bcf/d higher versus this time last year. As weather forecasts moderate, it is expected that these levels will fall from the recent highs to about 30.7 Bcf/d. Along with the bearish weather forecasts and demand levels, U.S. dry production remains above 82 Bcf/d, and appears to be keeping a cap on pricing just below the \$3/MMBtu resistance trading level.

Bullish Factors

- High power burns
- LNG exports ramping up
- Lowest EOS storage level in decade

Bearish Factors

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



Next Day On-Peak Power (traded for 9/24/2018)

ISO-NE Mass Hub \$30.51	MISO Indiana Hub \$40.82	NYISO Zone G \$35.92
PJM West Hub \$36.85	ERCOT North \$30.60	CAISO SP15 \$37.42
NYMEX NG		
	Close	Change
Oct-18	2.977	0.001
Nov-18	2.974	0.010
12 Month	2.832	0.002
Cal 19	2.766	-0.001
Cal 20	2.636	-0.003

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,722	2,636	3,298	3,232
Diff v. Current		86	-576	-510
% Diff			-17.5%	-15.8%

