

Early Morning Update:

The Oct18 natural gas contract is trading up \$0.005 at \$3.04. The Nov18 crude contract is up \$0.42 at \$72.50.

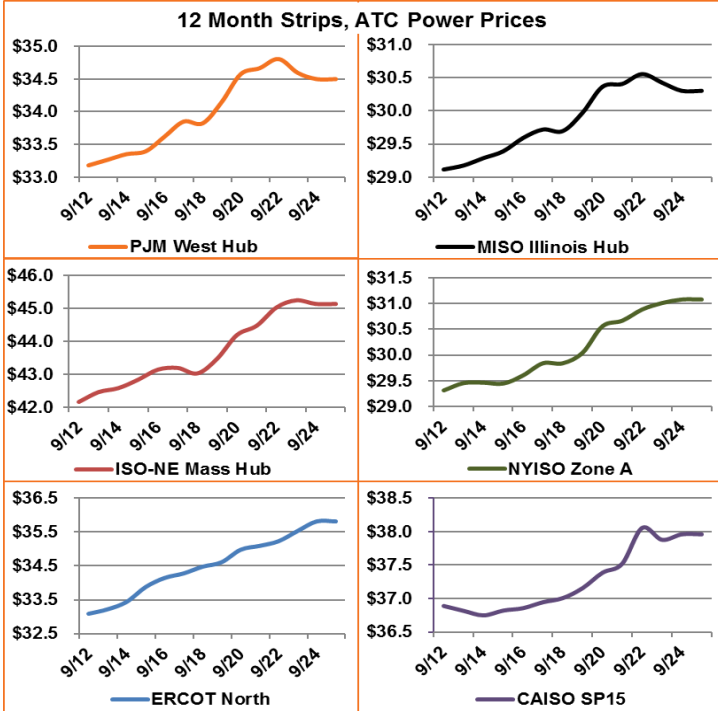
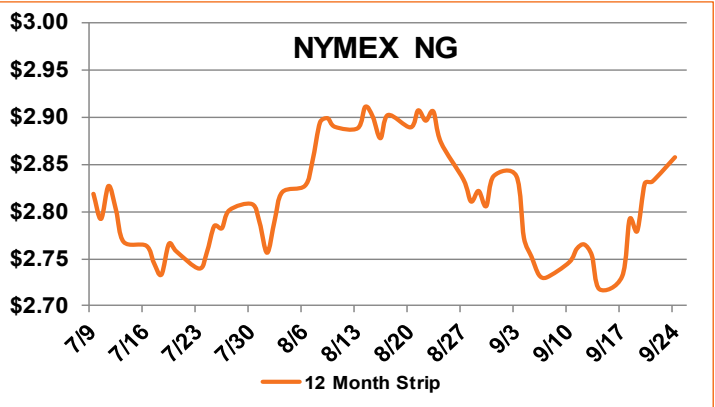
Summary: Natural gas prices continued their ascent yesterday, with the prompt month settling above \$3.00 for the first time since June 15. Despite declining demand accompanying falling high temperatures, and U.S. dry production reaching an all-time high yesterday, NYMEX futures for October closed the day at \$3.038/MMBtu, up another six cents on the day. Total demand for natural gas has fallen 6.6 Bcf/d over the past six days to 75.5 Bcf/d today, while production pushed the all-time high mark even higher yesterday to 84.3 Bcf/d. National production was boosted by a new record high in Northeast production, which reached 30.2 Bcf/d on Monday. Despite the current bearish fundamentals, the National Weather Service is forecasting cooler-than-normal temperatures for much of the northern U.S. over the next two weeks, and the coming cold front is lending a bullish bent to the market. Concerns over end-of-season storage levels, which are currently projected to be about 3.26 Tcf (15% deficit to the five-year average), are also helping prop up prices.

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

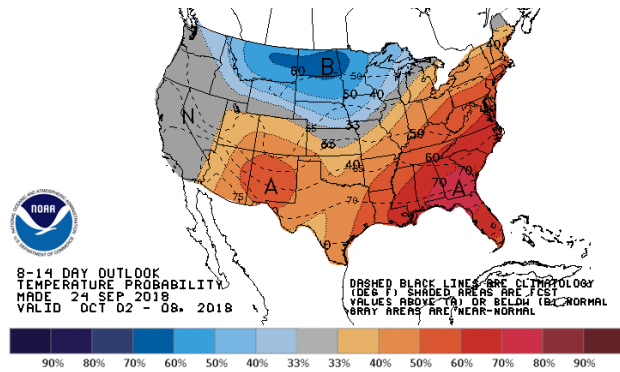
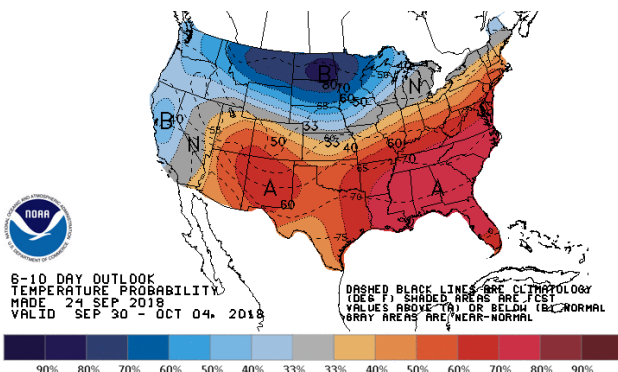


Next Day On-Peak Power (traded for 9/25/2018)

ISO-NE Mass Hub \$35.56	MISO Indiana Hub \$41.14	NYISO Zone G \$39.09
PJM West Hub \$37.72	ERCOT North \$30.79	CAISO SP15 \$37.72
NYMEX NG	Close	Change
Oct-18	3.038	0.061
Nov-18	3.029	0.055
12 Month	2.857	0.026
Cal 19	2.779	0.013
Cal 20	2.640	0.004

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%



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