

Early Morning Update:

The Oct18 natural gas contract is flat at \$3.08. The Nov18 crude contract is down \$0.45 at \$71.83.

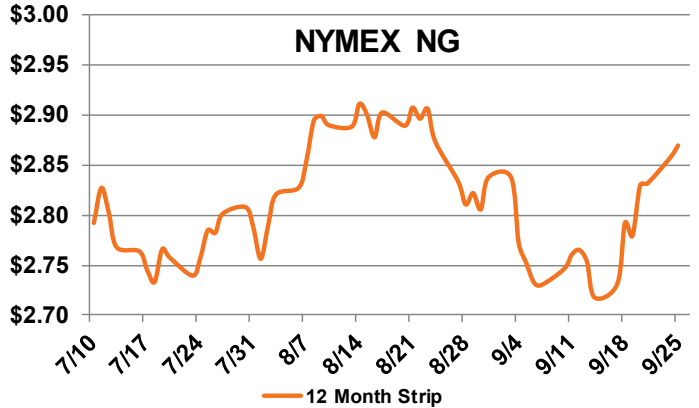
Summary: The October 2018 prompt month contract continued to rally yesterday, marking four consecutive trading days of gains and settling at \$3.082/MMBtu, 4.4 cents over Monday's settlement price. Today is the last day to trade October 2018 natural gas. The November-February contracts also traded higher yesterday, all priced above \$3.00. Northeast production is expected to dip, likely a result of pipeline maintenance, however, remains robust, averaging 83.3 Bcf/d so far for the month of September, and setting another record of 84.4 Bcf/d yesterday. After shutting down for Hurricane Florence, Duke Energy's Brunswick nuclear units came back online over the weekend and are now operating close to capacity, this should help to alleviate some of the strong NG demand in the southeast; however we are also entering generation maintenance season, and other nuclear units are beginning to shut for scheduled refueling, bullish for natural gas. The current rally in near-term NG prices comes despite The National Weather Service's December-February outlook published on September 20, predicting a warmer-than-normal winter; it appears as though the market is awaiting more confident winter outlooks before committing to any downside.

Bullish Factors

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

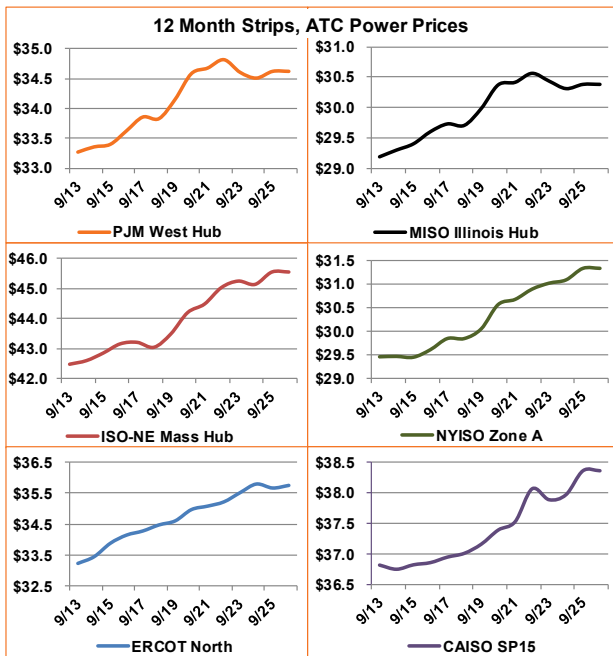
Bearish Factors

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



Next Day On-Peak Power (traded for 9/26/2018)

ISO-NE Mass Hub \$39.17	MISO Indiana Hub \$36.00	NYISO Zone G \$37.25
PJM West Hub \$43.19	ERCOT North \$25.81	CAISO SP15 \$41.27
NYMEX NG		
	Close	Change
Oct-18	3.082	0.044
Nov-18	3.058	0.029
12 Month	2.869	0.012
Cal 19	2.781	0.002
Cal 20	2.633	-0.007



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%

