

Early Morning Update:

The Aug19 natural gas contract is trading down \$0.01 at \$2.39. The Aug19 crude oil contract is up \$0.14 at \$57.80.

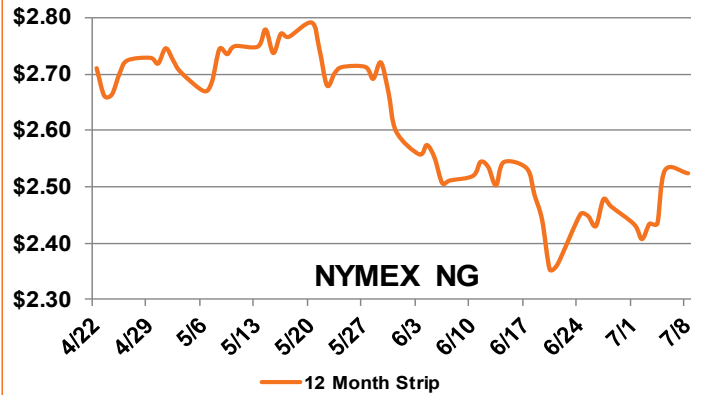
Summary: After the August NYMEX contract surged 13 cents last Friday, the prompt month weakened 1.5 cents during yesterday's trading activity. This slight price decrease day-over-day could have been the result of updated weather forecasts showing slightly cooler temperatures for the next few days. Most of the gas market movement was concentrated to the short-term, as forward prices through calendar strips 2025 fell less than a penny. However, longer-term weather forecasts could be potentially bullish for the market, as some strong heat waves are anticipated in the East and Midwest in the 11-20 day outlook. Yesterday's slide comes after record high production levels were reached over the holiday weekend, averaging about 88.6 Bcf/d. Although production slipped 2.3 Bcf/d yesterday, high production levels are expected to continue for the rest of the year, with Platts Analytics estimating productions levels to hit nearly 90 Bcf/d in December. Meanwhile, on the demand side, LNG exports hit a record daily high of 6.32 Bcf. This can be attributed to continued gains from Cameron Train 1 and Corpus Christi Train 2.

Bullish Factors

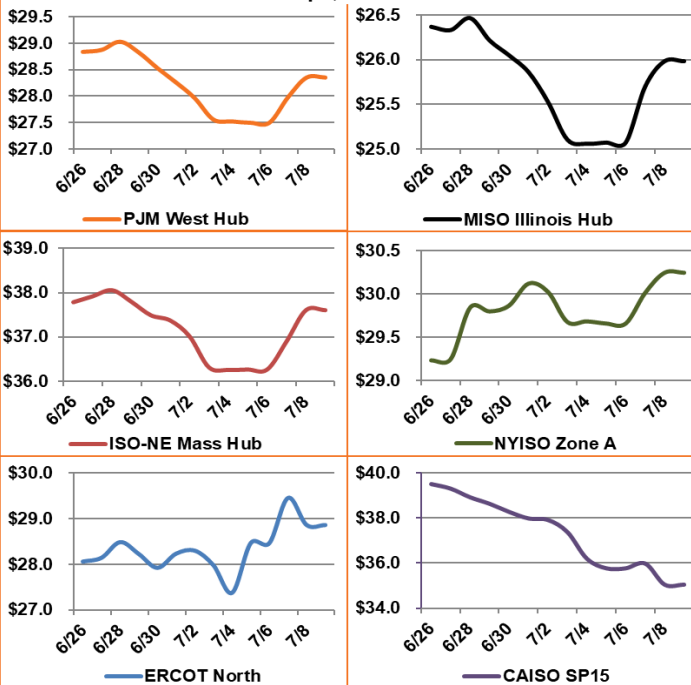
- High LNG exports
- Below-average storage levels
- Warmer weather forecast

Bearish Factors

- Record NG production
- Higher associated gas production
- Mild temps



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 7/9/2019)

ISO-NE Mass Hub \$28.36	MISO Indiana Hub \$32.17	NYISO Zone G \$28.72
PJM West Hub \$30.27	ERCOT North \$27.68	CAISO SP15 \$26.54
NYMEX NG		Change
Aug-19	2.403	-0.015
Sep-19	2.384	-0.005
12 Month	2.525	-0.006
Cal 20	2.550	-0.008
Cal 21	2.562	-0.005

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,390	2,301	2,141	2,542
Diff v. Current		89	249	-152
% Diff			11.6%	-6.0%

