

Early Morning Update:

The Aug19 natural gas contract is trading up \$0.03 at \$2.47. The Aug19 crude oil contract is up \$0.27at \$60.70.

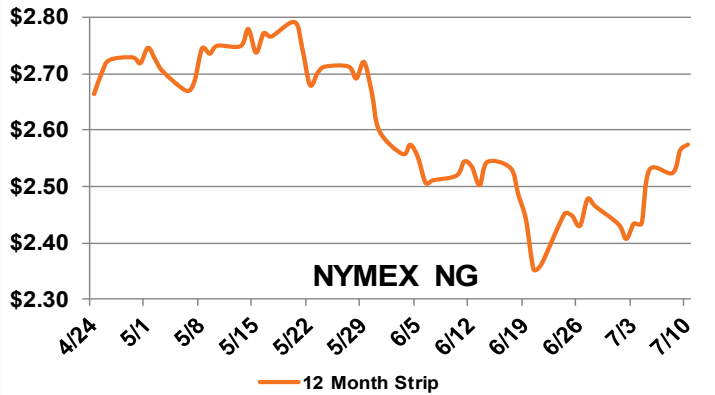
Summary: As the warmer summer heat continues to linger in the East, the August NYMEX contract gained 1.9 cents, ultimately settling yesterday at \$2.44/MMBtu. The rest of 2019 and forward calendar strips through 2021 also experienced upward movement, all gaining around a penny. Later today, the U.S. EIA will release its weekly storage report, with analysts predicting an injection of 78 Bcf, just slightly above the five year average of 71 Bcf. If this injection level actualizes, it will become the 16th week in a row to cut into the five year deficit, shrinking it to 6%. Near term forecasts are showing warmer temperatures across the West Coast and southern Texas, with heat backing off just a little on the East Coast. Looking further ahead, the 6 -10 day outlook shows the humidity and hot temperatures returning to the East. The above-average weather front is expected to continue through the rest of July, indicating an increase in power demand. This increase would be bullish for the market, as power demand is expected to average 41.6 Bcf/d for the rest of July, well above the conditions seen in the beginning of this month.

Bullish Factors

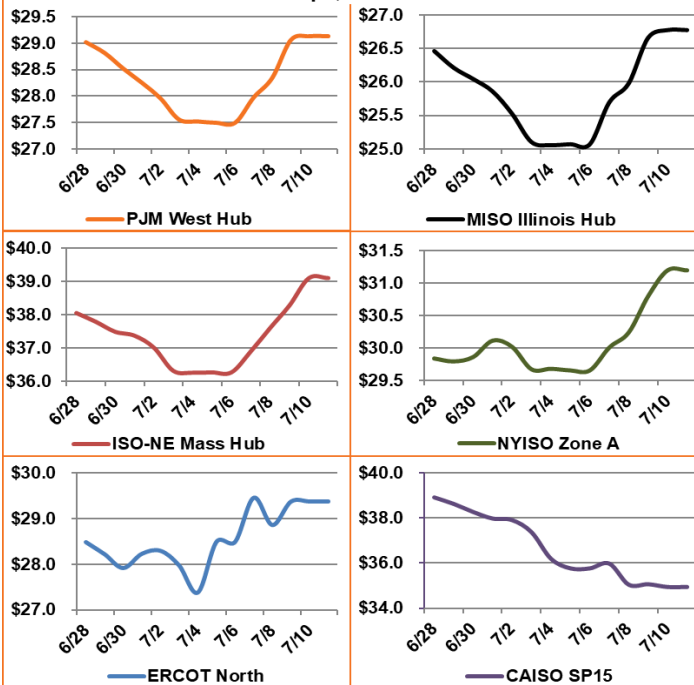
- High LNG exports
- Below-average storage levels
- Warmer weather forecast

Bearish Factors

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



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 7/11/2019)

ISO-NE Mass Hub \$39.98	MISO Indiana Hub \$33.42	NYISO Zone G \$32.32
PJM West Hub \$35.87	ERCOT North \$36.69	CAISO SP15 \$34.17
NYMEX NG		Change
Aug-19	2.444	0.019
Sep-19	2.433	0.017
12 Month	2.575	0.010
Cal 20	2.601	0.009
Cal 21	2.590	0.010

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%

