

**Early Morning Update:**

The Aug19 natural gas contract is trading up \$0.03 at \$2.44. The Aug19 crude oil contract is up \$0.11 at \$60.31.

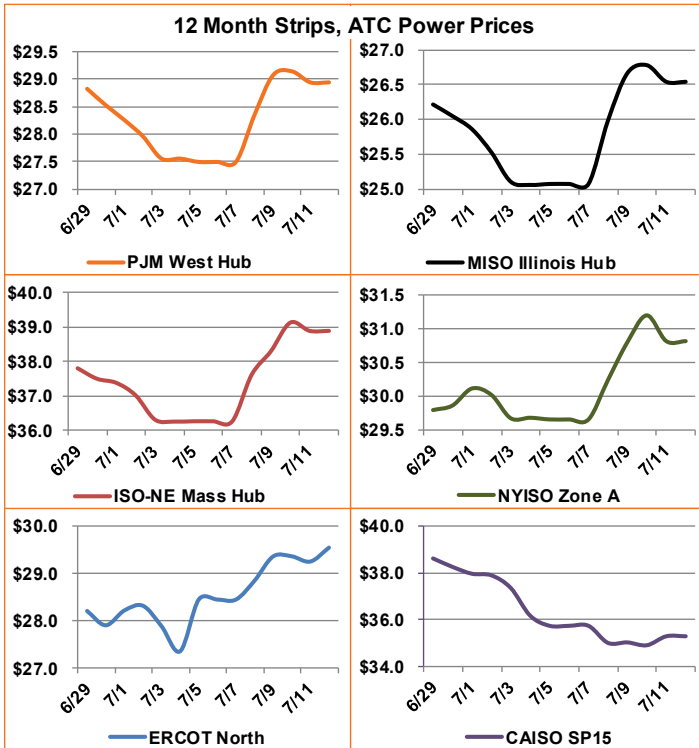
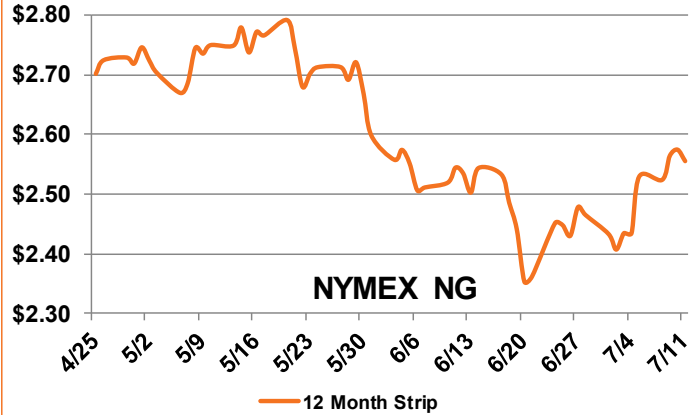
**Summary:** Yesterday, the NYMEX fell \$.028 to close the day at \$2.416. The prompt month contract has been hovering near \$2.40 all week as the heat and humidity appear to have been baked into the market now. So while the gas market seems to have a (temporary?) home, power prices are waking up and becoming more volatile. As you can see from the graphs below, we've seen a sharp rally in prices in nearly all markets this week due to increasing temperatures and a greater likelihood of higher index prices. After a mild late May and June, it appears as though summer is finally here, and if we look ahead to the weather forecasts, it appears as though it'll stick around through at least the end of the month. These higher temps are having an effect on NG demand as we're setting records to power burns now, and with the potential for more heat, additional records are likely to be set before the summer is over.

**Bullish Factors**

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

**Bearish Factors**

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



**Next Day On-Peak Power (traded for 7/12/2019)**

<b>ISO-NE Mass Hub</b> \$40.42	<b>MISO Indiana Hub</b> \$30.42	<b>NYISO Zone G</b> \$32.63
<b>PJM West Hub</b> \$32.08	<b>ERCOT North</b> \$33.36	<b>CAISO SP15</b> \$42.59
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Aug-19	2.416	-0.028
Sep-19	2.401	-0.032
12 Month	2.556	-0.019
Cal 20	2.596	-0.005
Cal 21	2.598	0.009

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	2,471	2,390	2,196	2,613
<b>Diff v. Current</b>		81	275	-142
<b>% Diff</b>			12.5%	-5.4%

