

Early Morning Update:

The Aug19 natural gas contract is trading down \$0.02 at \$2.43. The Aug19 crude oil contract is up \$0.29 at \$60.50.

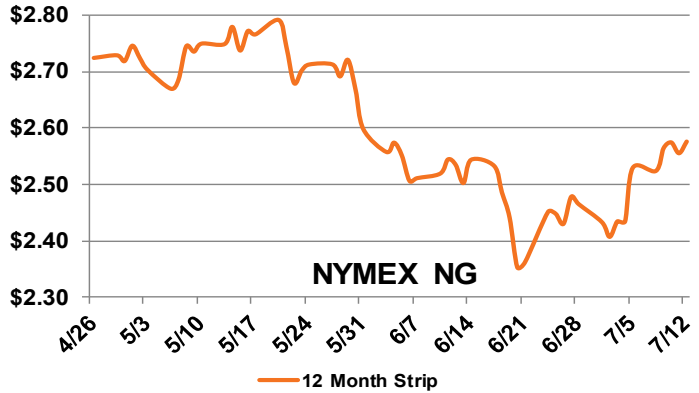
Summary: On Friday, the August 2019 NYMEX natural gas futures price moved up 3.7 cents on the day to settle at \$2.453/MMBtu. The upward pressure to the prompt month is in reaction to the return of bullish fundamentals affecting the supply/demand balance. On Saturday, a Manhattan transformer fire knocked out power for thousands in the Upper West Side of New York City, and did not return until just before midnight. Last week, total U.S. production levels depressed due to oil/gas shut-ins down in the Gulf of Mexico in preparation for Tropical Storm Barry. As the storm lowers the production in the Gulf, LNG feed gas seems unaffected, maintaining its current record setting export volumes, just under 6.5 Bcf/d. While supply dips, demand continues to climb with warming temperatures. The 1-5 day weather forecast shows warmer-than-normal temperatures trapped in the Northeast and Texas, two major U.S. demand centers for natural gas. The heat in the Northeast appears to stay through the end of this month, which could lower the next couple of injections into storage and increase power burn levels for cooling demand.

Bullish Factors

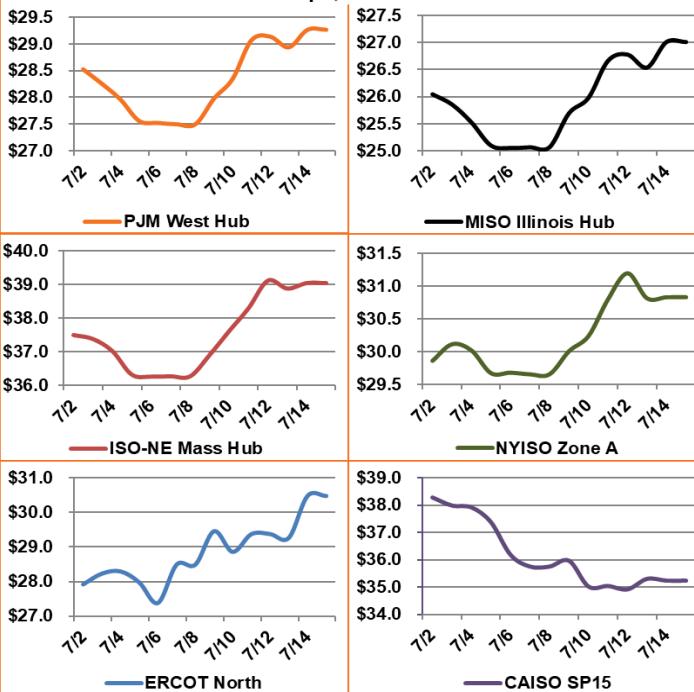
- High LNG exports
- Record demand levels
- Warmer weather forecast

Bearish Factors

- Record NG production
- Higher associated gas production
- Above-average storage injections



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 7/15/2019)

ISO-NE Mass Hub \$39.25	MISO Indiana Hub \$37.00	NYISO Zone G \$31.80
PJM West Hub \$33.55	ERCOT North \$36.55	CAISO SP15 \$46.93
NYMEX NG	Close	Change
Aug-19	2.453	0.037
Sep-19	2.434	0.033
12 Month	2.577	0.021
Cal 20	2.604	0.009
Cal 21	2.601	0.002

EIA Natural Gas Storage

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

