

Early Morning Update:

The Aug19 natural gas contract is trading down \$0.08 at \$2.33. The Aug19 crude oil contract is up \$0.37 at \$59.95.

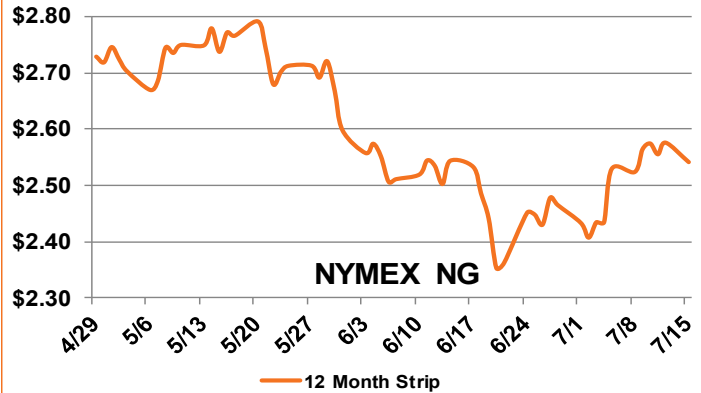
Summary: Barry's aftermath is still lingering in the Southeast and impacting gas production in the region, which is down 2.0 Bcf/d from last week. However, overall production is expected to rally back to 88.2 Bcf/d in the coming week. As market demand continues to be negatively impacted by Hurricane Barry, the August 2019 NYMEX natural gas futures price dropped 4.5 cents yesterday, settling at \$2.408/MMBtu. This downward movement was shared with future gas prices through December 2021, however, forward calendar strips 2022-2025 gained around half a penny. The latest weather forecast is weakening the demand outlook even further, as demand is expected to drop from 75.9 Bcf/d to 73.6 Bcf/d over the next two weeks. Although hot temperatures are expected in the near-term outlook for the Northeast and Mid-Atlantic, the 8-14 day outlook shows the warm front ending and normalized conditions returning to these demand center regions. The forecasted decrease in demand, combined with the expected increase in production, makes for a promising injection build in the near future.

Bullish Factors

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

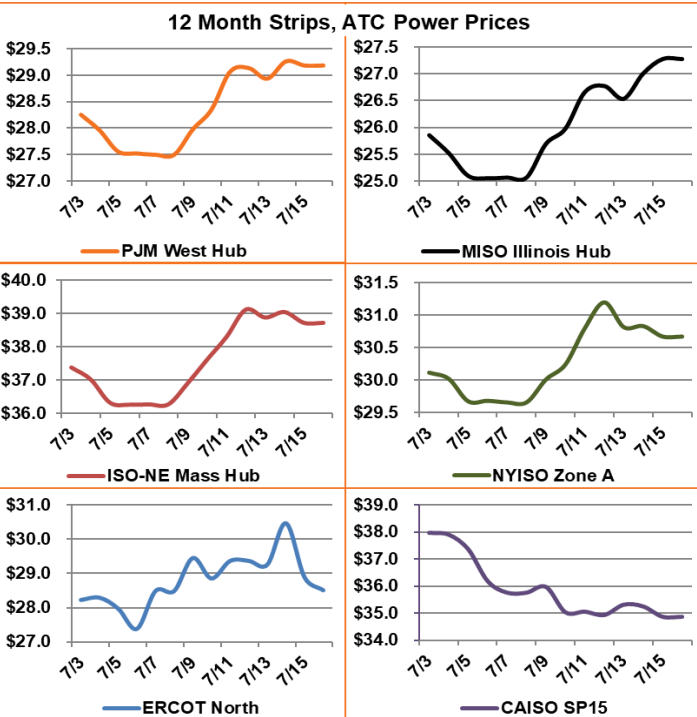
Bearish Factors

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



Next Day On-Peak Power (traded for 7/16/2019)

ISO-NE Mass Hub \$36.97	MISO Indiana Hub \$38.29	NYISO Zone G \$31.22
PJM West Hub \$34.70	ERCOT North \$35.55	CAISO SP15 \$36.50
NYMEX NG	Close	Change
Aug-19	2.408	-0.045
Sep-19	2.386	-0.048
12 Month	2.542	-0.035
Cal 20	2.585	-0.019
Cal 21	2.597	-0.003



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%

