

Early Morning Update:

The Aug19 natural gas contract is trading up \$0.03 at \$2.33. The Aug19 crude oil contract is up \$0.22 at \$57.00.

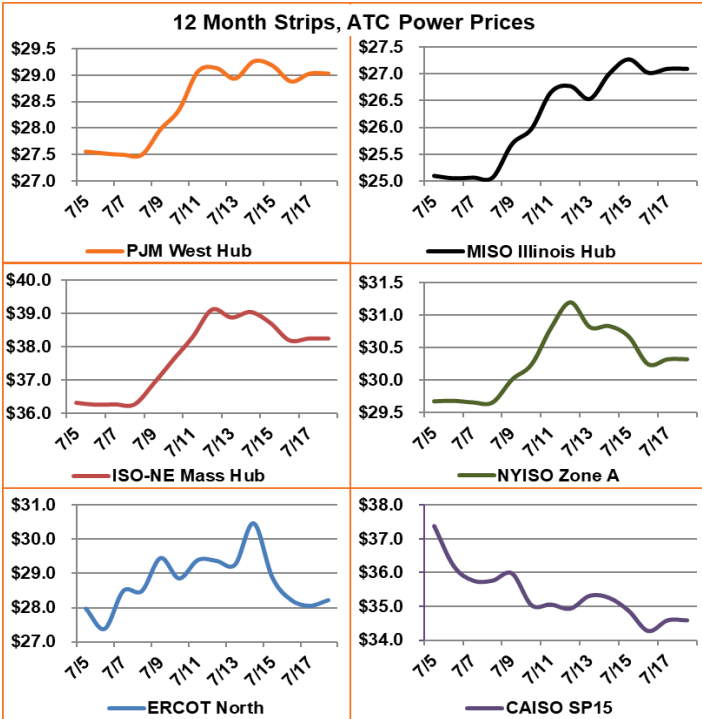
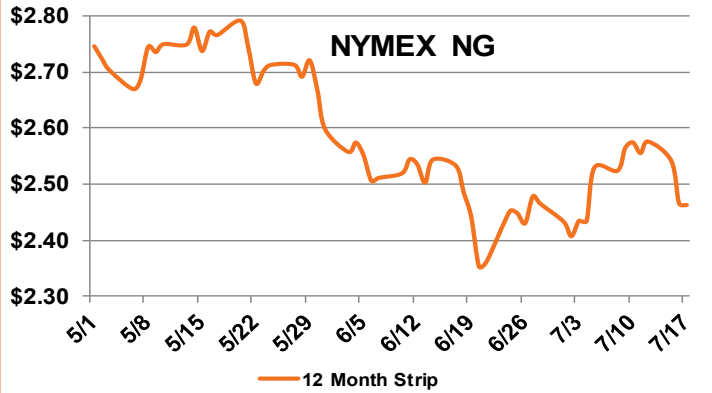
Summary: After a quiet day of trading, the August 2019 NYMEX natural gas futures price dropped 0.2 cent, ultimately settling at \$2.304/MMBtu. This is the third day in a row for the prompt month to fall, bringing the August prompt month down 14.7 cents since the beginning of this week. This downward movement aligns with slightly decreasing U.S. dry production, which averaged 86.6 Bcf/d over the past week due to the effects of Tropical Storm Barry. Although warm temperatures are expected to last throughout the rest of the week, the 8-14 day forecasts show temperatures cooling off to normal conditions across the U.S., and in the same time frame, production is predicted to bounce back to the yearly average of 87 Bcf/d. Market analysts are expecting the U.S. Energy Information Administration to report a 68 Bcf injection build this morning. If this prediction is accurate, the build will be five Bcf higher than the five-year average of 63 Bcf. Even though this is a lower injection build than last week, it will still cut into the five-year average deficit, increasing the above-average injection streak to 16 weeks.

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 7/18/2019)

ISO-NE Mass Hub \$31.10	MISO Indiana Hub \$43.81	NYISO Zone G \$33.38
PJM West Hub \$38.70	ERCOT North \$24.78	CAISO SP15 \$29.86
NYMEX NG		Change
Aug-19	2.304	-0.002
Sep-19	2.278	-0.008
12 Month	2.463	-0.003
Cal 20	2.531	0.000
Cal 21	2.568	0.000

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%

