

**Early Morning Update:**

The Aug19 natural gas contract is flat at \$2.28. The Aug19 crude oil contract is up \$0.49 at \$55.79.

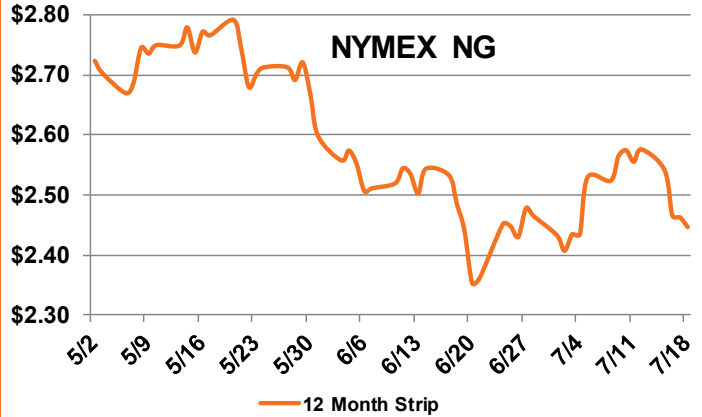
**Summary:** The NYMEX prompt month slid a mere \$.017 yesterday as the EIA announced a smaller-than-expected build into storage of 62 Bcf. Final estimates for the build were in the upper-60's but the lower build wasn't enough to spark a rally in prices as the market largely shrugged off the result. This build was also the first in 4 months that added to the deficit to the 5-year average. During that period, the deficit has shrunk from 33% to 5%. Forecasts call for a very gradual reduction in the deficit for the balance of the summer, with the possibility that we could flip to a surplus by the end of injection season. For that to happen, we'll need production growth and a loosening of power burn demand, which would require less-hot temperatures. Weather forecasts are, of course, blisteringly hot for this weekend, but then milder temps move in for the balance of the month.

**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 7/19/2019)**

ISO-NE Mass Hub \$42.80	MISO Indiana Hub \$51.66	NYISO Zone G \$39.56
PJM West Hub \$52.16	ERCOT North \$24.38	CAISO SP15 \$26.33
NYMEX NG		Change
Aug-19	2.287	-0.017
Sep-19	2.263	-0.015
12 Month	2.447	-0.017
Cal 20	2.516	-0.015
Cal 21	2.562	-0.006

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	2,533	2,471	2,242	2,676
<b>Diff v. Current</b>		62	291	-143
<b>% Diff</b>			13.0%	-5.3%

