

**Early Morning Update**

The Sep19 natural gas contract is trading up \$0.01 at \$2.12. The Sep19 crude oil contract is up \$0.23 at \$57.10.

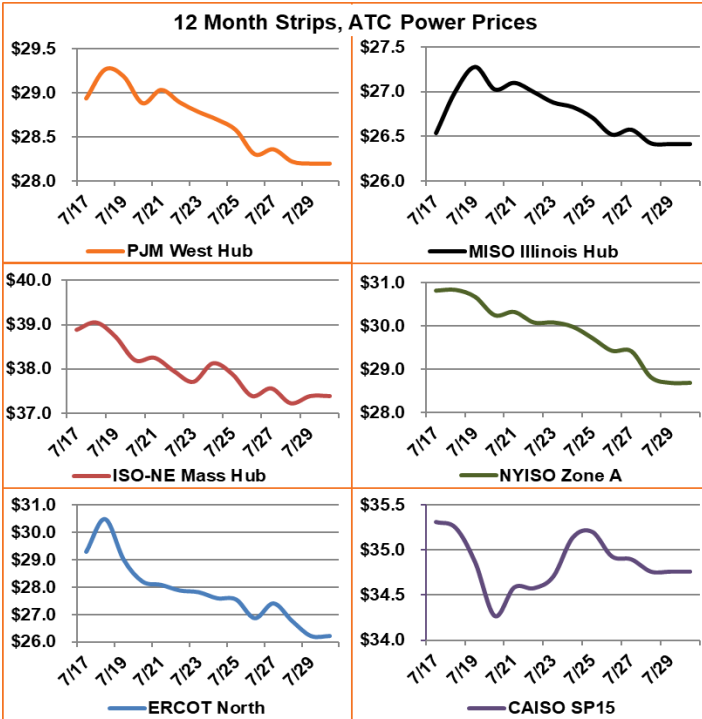
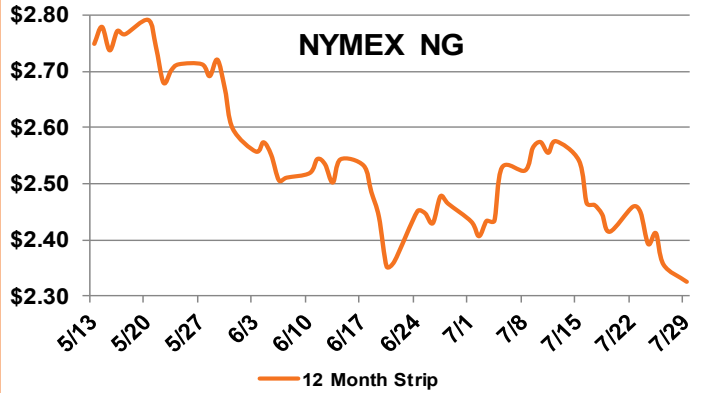
**Summary:** Near term forecasts showing cooler-than-average temperatures pushed the NYMEX August 2019 contract down to a three year low, ultimately expiring at \$2.141/MMBtu. After losing 2.8 cents on the last trading day, August 2019 weakened more than 18 cents throughout July. Furthermore, the NYMEX market experienced a decrease in prices across the board, as future gas prices through calendar strip 2025 also dropped. 2020 and 2021 calendar strips fell to fresh all-time lows at \$2.435 and \$2.531, respectively. Long-term forecasts currently show cool temperatures to remain in main demand centers, such as the Northeast and the Midwest. This outlook is expected to push the U.S. demand down slightly. Monday's demand was 73.2 Bcf/d and could be about 1.0 Bcf/d higher versus next week's forecasted average of 72.1 Bcf/d. On the supply side, dry production is expected to linger at higher levels, as an average of 88.9 Bcf/d is predicted in the 8-14 day outlook. If this production level comes to fruition, it will be just above the month-to-date level of 88.3 Bcf/d.

**Bullish Factors**

- High LNG exports
- Record demand levels

**Bearish Factors**

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



**Next Day On-Peak Power (traded for 7/30/2019)**

ISO-NE Mass Hub \$47.14	MISO Indiana Hub \$31.65	NYISO Zone G \$35.14
PJM West Hub \$35.07	ERCOT North \$30.55	CAISO SP15 \$40.69
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Aug-19	2.141	-0.028
Sep-19	2.116	-0.034
12 Month	2.326	-0.030
Cal 20	2.435	-0.023
Cal 21	2.531	-0.009

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,569	2,533	2,269	2,720
Diff v. Current		36	300	-151
% Diff			13.2%	-5.6%

