

**Early Morning Update**

The Sep19 natural gas contract is trading up \$0.03 at \$2.10. The Sep19 crude oil contract is up \$0.31 at \$55.00.

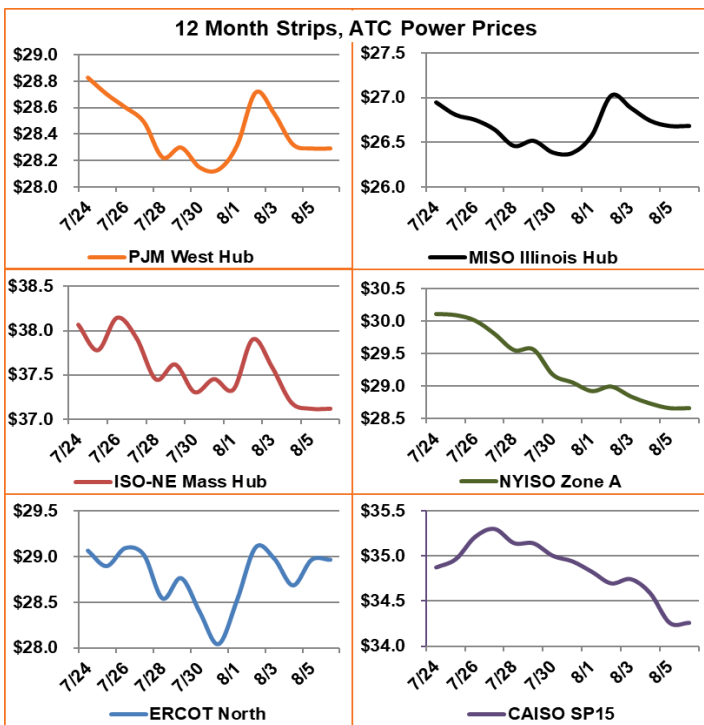
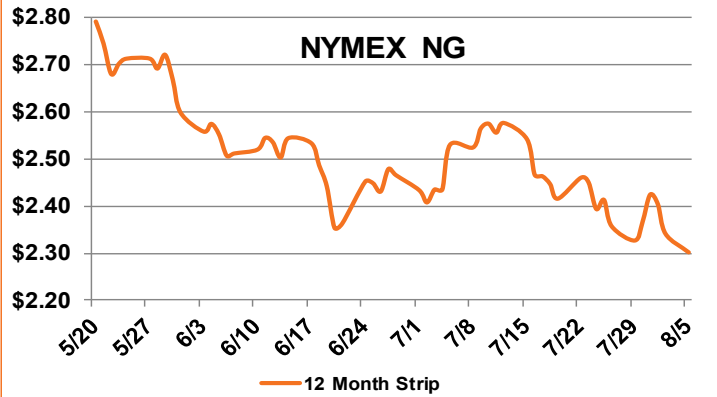
**Summary:** After hitting its lowest point since May 2016 on Friday, the NYMEX prompt month lost an additional five cents yesterday, ultimately settling at \$2.070/MMBtu. Forward 2020 and 2021 calendar strips also hit all-time lows for the second time in as many days, both losing a couple cents. The downward movement seen across the natural gas market comes after record-breaking high production levels. Yesterday, production hit an all-time daily high of 90.5 Bcf/d, beating the short-lived record of 90.4 Bcf/d established on Saturday. Demand also saw some growth yesterday, increasing to 72.4 Bcf/d, about 3.8 Bcf/d higher than Sunday's level. Near-term forecasts of warm weather throughout the South are expected to push this week's average demand levels up to 41 Bcf/d, which is 0.5 Bcf/d more than last week's average. Looking at the 11-15 day outlook, warm weather is expected across the entire western U.S., indicating a continued increase in demand levels through mid-August.

**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 8/6/2019)**

ISO-NE Mass Hub \$31.96	MISO Indiana Hub \$34.00	NYISO Zone G \$31.23
PJM West Hub \$32.59	ERCOT North \$35.75	CAISO SP15 \$46.69
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Sep-19	2.070	-0.051
Oct-19	2.083	-0.047
12 Month	2.301	-0.039
Cal 20	2.391	-0.034
Cal 21	2.514	-0.015

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,634	2,569	2,300	2,757
Diff v. Current		65	334	-123
% Diff			14.5%	-4.5%

