

Early Morning Update

The Sep19 natural gas contract is trading flat to yesterday's close at \$2.11. The Sep19 crude oil contract is down \$1.23 at \$52.40.

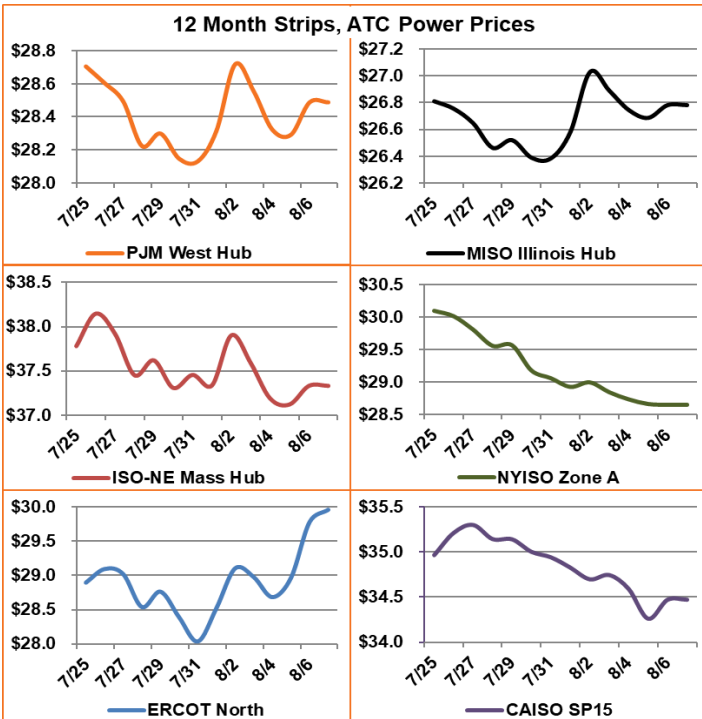
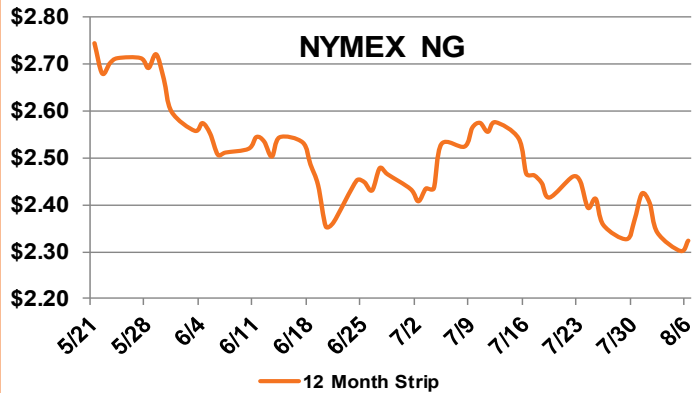
Summary: After testing support levels on Monday, the NYMEX natural gas prompt month contract gained back 4.1 cents yesterday to settle at \$2.111/MMBtu. National gas demand is projected to moderate for the balance of this week, but then pick back up next week with warmer outlooks returning for the country's demand centers in the southern half of the United States. The prompt month was not the only contract to post gains yesterday, as the October 2019-October 2020 contracts also rose, while, conversely, November 2020-April 2022 lost about a penny, allowing calendar 2021 to set a new all-time low at \$2.5018/MMBtu. Also in energy news, the U.S. Energy Information Administration released their monthly Short-Term Energy Outlook for August 2019. Highlights included lowering their Henry Hub spot price projection for the second half of 2019 to \$2.36/MMBtu, projecting that natural gas production will continue to grow for the balance of 2019, then lag in Q1 2020, and expanding their electricity forecasts to include new forecasts for wholesale electricity prices.

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 8/7/2019)

ISO-NE Mass Hub \$35.95	MISO Indiana Hub \$31.50	NYISO Zone G \$34.00
PJM West Hub \$31.12	ERCOT North \$36.54	CAISO SP15 \$39.24
NYMEX NG	Close	Change
Sep-19	2.111	0.041
Oct-19	2.124	0.041
12 Month	2.323	0.022
Cal 20	2.400	0.009
Cal 21	2.502	-0.012

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%

