

**Early Morning Update**

The Sep19 natural gas contract is trading up \$0.03 at \$2.11. The Sep19 crude oil contract is up \$1.41 at \$52.50.

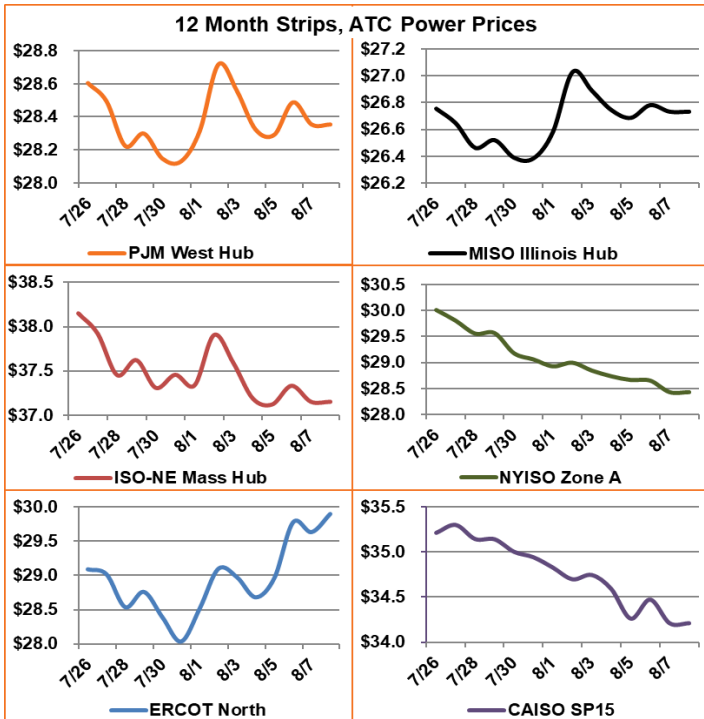
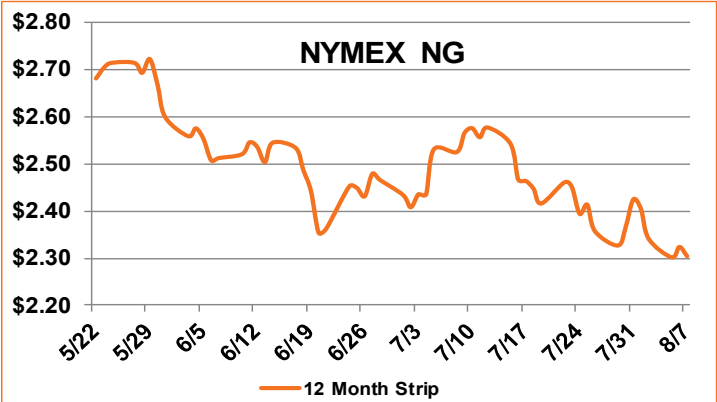
**Summary:** The NYMEX natural gas prompt month is back to record setting levels, ultimately losing 2.8 cents yesterday and settling at \$2.083. The prompt month has not seen prices this low since May of 2016, and with the continued bearish fundamentals, it has folks wondering how much lower it might go. Forward calendar strips through 2023 also felt a similar sentiment, losing around a penny each. 2020 and 2021 settled at all-time lows, as well. Weather forecasts show the Northeast and Midcon as having below-normal temperatures over the next 20 days, which is helping to keep demand at bay, while on the contrary, the West and southern region of the country are predicting above normal conditions. The EIA's storage report will be released later today, and we will learn if the anticipated above-average storage injection (57 Bcf) materializes. If it does, it will be interesting to see how much additional downward pressure it could have on NYMEX pricing. When last week's storage report came in higher than market estimates and the 5-year average, the September prompt month reacted by losing six cents.

**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 8/8/2019)**

ISO-NE Mass Hub \$34.37	MISO Indiana Hub \$29.91	NYISO Zone G \$32.00
PJM West Hub \$29.75	ERCOT North \$33.99	CAISO SP15 \$32.54
NYMEX NG		Change
Sep-19	2.083	-0.028
Oct-19	2.099	-0.025
12 Month	2.304	-0.020
Cal 20	2.385	-0.015
Cal 21	2.490	-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%

