

**Early Morning Update**

The Sep19 natural gas contract is up \$0.03 at \$2.17. The Sep19 crude oil contract is down \$0.23 at \$55.00.

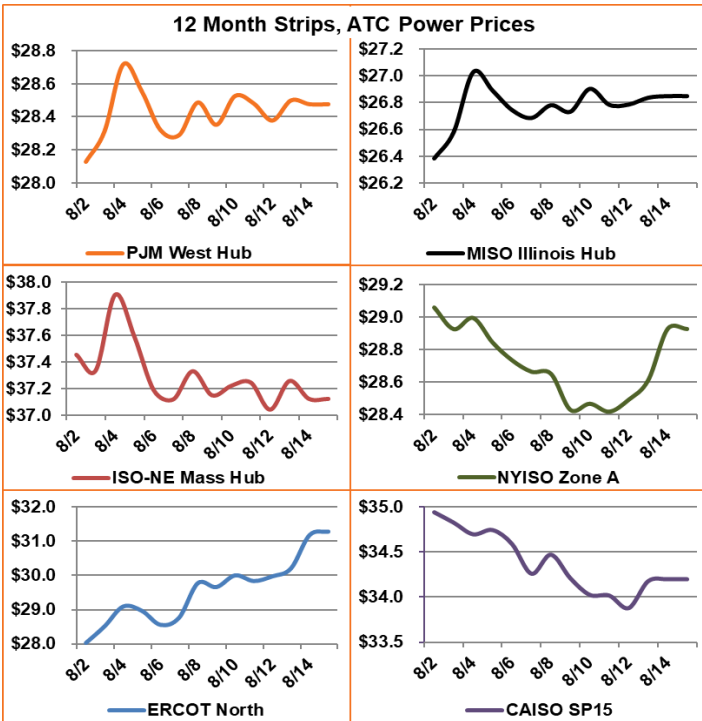
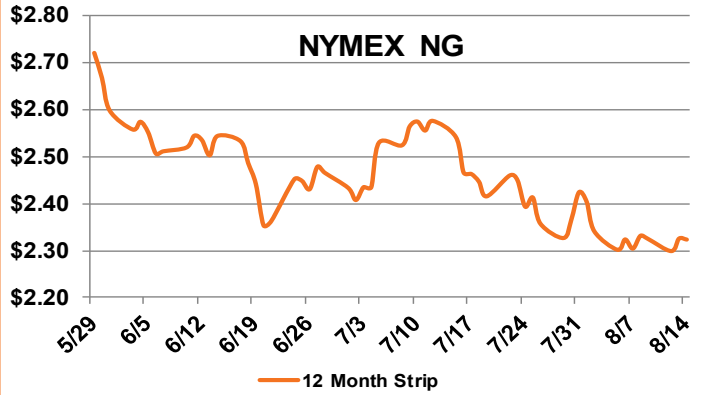
**Summary:** Yesterday the September natural gas prompt month contract settled at \$2.143/MMBtu, which is down less than a penny from the previous day. The forward calendar strips felt greater downward movement than the prompt month, with 2022 - 2025 all losing two cents, and 2021-2025 settling at all-time lows. While we've had a relatively mild start to the summer, things have definitely warmed up in some regions, which has been well illustrated in the ERCOT market. Temperatures have been hovering at 100 degrees across Texas for the last week, which has had a significant impact on cooling demand, thus leading to increased price volatility and scarcity pricing. ERCOT actually hit a new all-time demand peak earlier this week on August 12 at 74,616 MWs. With the heat that's been plaguing the southern portion of the country, it could put a strain on the gas available to be injected into storage. Forecasts continue to show above-average temperatures, not only in Texas, but on the West Coast and the Northeast over the next 20 days.

**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 8/15/2019)**

ISO-NE Mass Hub	\$28.23	MISO Indiana Hub	\$28.41	NYISO Zone G	\$24.95
PJM West Hub	\$27.68	ERCOT North	\$42.85	CAISO SP15	\$45.08
NYMEX NG		Close	Change		
Sep-19	2.143	-0.004			
Oct-19	2.154	-0.005			
12 Month	2.323	-0.002			
Cal 20	2.382	-0.002			
Cal 21	2.445	-0.013			

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,689	2,634	2,346	2,800
Diff v. Current		55	343	-111
% Diff			14.6%	-4.0%

