

Early Morning Update

The Sep19 natural gas contract is trading flat to yesterday's close at \$2.17. The Oct19 crude oil contract is up \$0.62 at \$56.30.

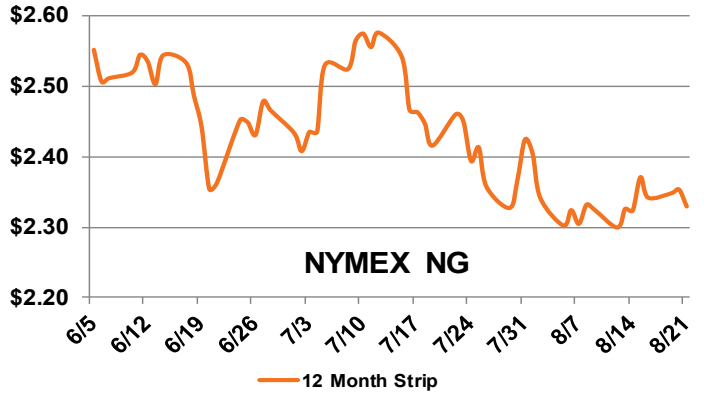
Summary: The NYMEX natural gas prompt month contract weakened yesterday, closing out at \$2.170/MMBtu, a 4.8 cent decrease from the previous day. Future calendar strips all remained flat with the exception of Cal '20, which dropped a penny. Weather forecasts continue to show a reprieve from the heat for most of the central U.S., with only the West continuing to show above-normal temperatures over the next 20 days. This comes as a relief for those in the South, who have been feeling the effects of the recent heat wave that has passed through Texas, resulting in record-setting demand and, thus, very volatile pricing in the index power markets. The cooler weather forecast could help improve storage injections, as well, as the past few injections have been lower than anticipated. Later this morning, the market will find out whether the storage injection for the week to Aug. 16 will meet their expectations of 58 Bcf, which is greater than both last year and the 5-year average.

Bullish Factors

- High LNG exports
- Record demand levels
- Hot weather

Bearish Factors

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



Next Day On-Peak Power (traded for 8/22/2019)

ISO-NE Mass Hub \$37.59	MISO Indiana Hub \$27.50	NYISO Zone G \$33.07
PJM West Hub \$30.31	ERCOT North \$44.00	CAISO SP15 \$34.96
NYMEX NG	Close	Change
Sep-19	2.170	-0.048
Oct-19	2.177	-0.042
12 Month	2.329	-0.024
Cal 20	2.381	-0.011
Cal 21	2.424	0.001

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,738	2,689	2,381	2,849
Diff v. Current		49	357	-111
% Diff			15.0%	-3.9%

