

**Early Morning Update**

The Sep19 natural gas contract is trading up \$0.04 at \$2.19. The Oct19 crude oil contract is up \$0.73 at \$54.90.

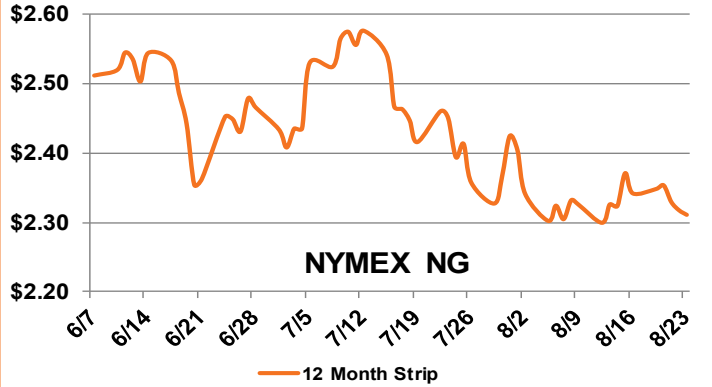
**Summary:** On Friday, the September 2019 NYMEX natural gas futures price ticked lower, moving down 0.7 cents on the day to settle at \$2.152/MMBtu. The bears appear to be winning in this battle of the fundamentals when it comes to natural gas pricing. Weather forecasts moderated once again over the weekend, showing cooler-than-normal to normal temperatures for the majority of the country with the exception of the West. A major change to the forecasts compared to last week was that heat was expected to return to the Northeast, a major demand center for natural gas, through the end of the month, but has since retreated. The blanket of warmer-than-normal temps linger over mostly California into the beginning of September. The moderating temps have resulted in depressed demand for the power burn sector, but still is averaging about 3.0 Bcf/d higher than last year. Both LNG and exports to Mexico continue to climb, and are projected to continue to grow through the end of this year. U.S. dry production remains just over 90 Bcf/d, just slightly below its recently set all-time high.

**Bullish Factors**

- High LNG exports
- Record demand levels
- Hot weather

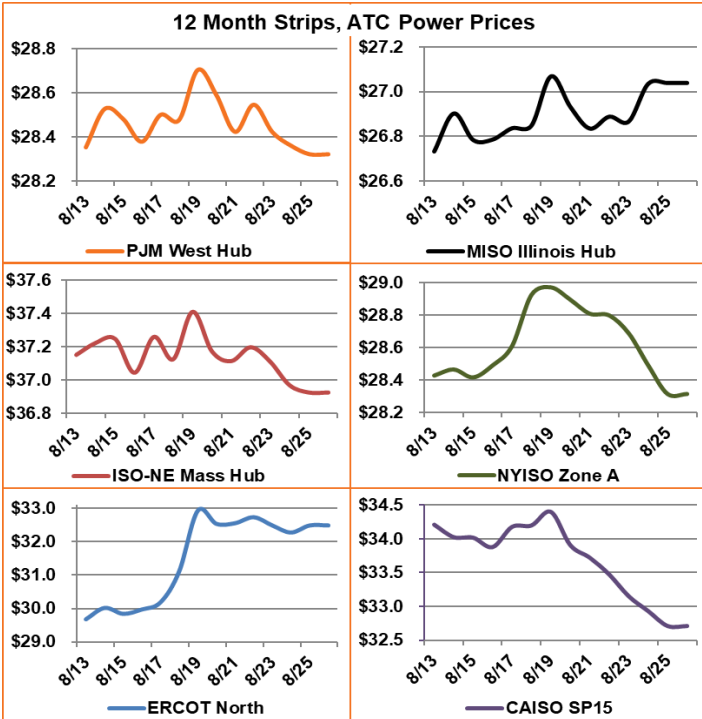
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 8/26/2019)**

<b>ISO-NE Mass Hub</b> \$24.16	<b>MISO Indiana Hub</b> \$24.78	<b>NYISO Zone G</b> \$23.75
<b>PJM West Hub</b> \$24.92	<b>ERCOT North</b> \$585.94	<b>CAISO SP15</b> \$36.52
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Sep-19	2.152	-0.007
Oct-19	2.156	-0.007
12 Month	2.310	-0.007
Cal 20	2.367	-0.004
Cal 21	2.418	0.004



**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	2,797	2,738	2,428	2,900
<b>Diff v. Current</b>		59	369	-103
<b>% Diff</b>			15.2%	-3.6%

