

Early Morning Update

The Sep19 natural gas contract is trading up \$0.03 at \$2.23. The Oct19 crude oil contract is up \$0.92 at \$55.85.

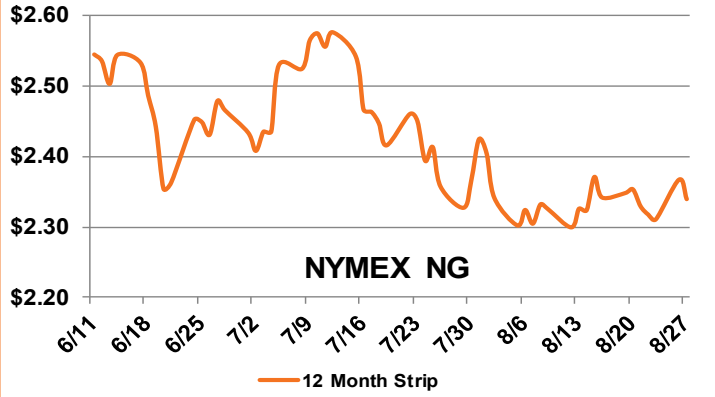
Summary: After gaining 7.8 cents during Monday's session, the September 2019 contract gave back 2.8 cents yesterday, settling at \$2.202/MMBtu, on its second-to-last day of trading. Tropical Storm Dorian likely prompted the downward pressure, as analysts believe the storm will pull Southeast demand lower over the next few days with winds and rain lowering temperatures and potentially disrupting power supply. Natural gas supplies remain stable, with production averaging 90.6 Bcf/d over the past seven days. However, the current supply/demand balance could be disrupted, with Mexico appearing to reach an agreement over the Sur De Texas pipeline. Construction on the pipeline was completed, and commissioning began in late June 2019, only to be halted by the Mexican FERC. With the potential to reach 2.6 Bcf/d capacity, providing U.S. natural gas an outlet deeper into the heart of Mexico demand centers than land export pipelines, signs of life from this pipeline will surely change the future of U.S. natural gas export demand. Today is the last day for trading the September 2019 contract.

Bullish Factors

- High LNG exports
- Record demand levels
- Hot weather

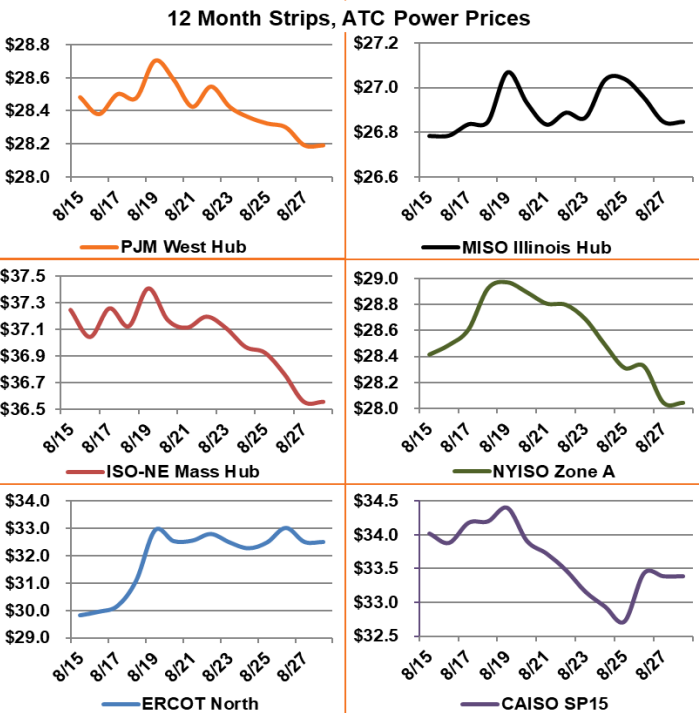
Bearish Factors

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



Next Day On-Peak Power (traded for 8/28/2019)

ISO-NE Mass Hub \$26.31	MISO Indiana Hub \$25.33	NYISO Zone G \$25.99
PJM West Hub \$25.51	ERCOT North \$40.00	CAISO SP15 \$43.91
NYMEX NG	Close	Change
Sep-19	2.202	-0.028
Oct-19	2.192	-0.041
12 Month	2.339	-0.028
Cal 20	2.389	-0.021
Cal 21	2.442	0.001



EIA Natural Gas Storage

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

