

Early Morning Update

The Oct19 natural gas contract is trading up \$0.04 at \$2.26. The Oct19 crude oil contract is up \$0.42 at \$56.20.

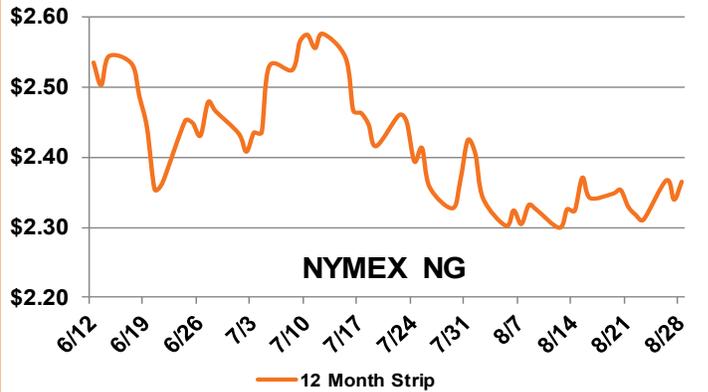
Summary: Sep19 finished up almost five cents and settled for the last time at \$2.251 in trading on Wednesday. The Oct19 contract has rolled to prompt month at \$2.222 and is trading up a few cents this morning. Cooler-than-average weather conditions are expected across the Northeast through the Labor Day weekend and holding on through the 10-day outlook, with moderately-above-normal temperatures expected across the southern and western portions of the U.S. As demand moderates through the balance of summer, strong gas production should allow for some sizable injections into storage in the coming weeks. The market is expecting a 57 Bcf injection into storage when the Energy Information Administration releases their weekly storage report later this morning. Currently, the market is projecting the end of season storage amount to come in near 3.76 Tcf, very much in-line with the five-year average and a comfortable amount of gas heading into winter. This projected amount could grow even higher as temperatures moderate, particularly if we continue to see production growth through the balance of the year. On the flip side, exports are growing with the Freeport export terminal commencing operations, which adds additional baseload demand and may offset any additional production growth.

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 8/29/2019)

ISO-NE Mass Hub \$26.90	MISO Indiana Hub \$27.00	NYISO Zone G \$25.34
PJM West Hub \$25.48	ERCOT North \$55.22	CAISO SP15 \$38.89
NYMEX NG		
	Close	Change
Sep-19	2.251	0.049
Oct-19	2.222	0.030
12 Month	2.365	0.026
Cal 20	2.411	0.021
Cal 21	2.460	0.018

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%

