

Early Morning Update

The Oct19 natural gas contract is trading up \$0.03 at \$2.39. The Oct19 crude oil contract is up \$1.51 at \$55.45.

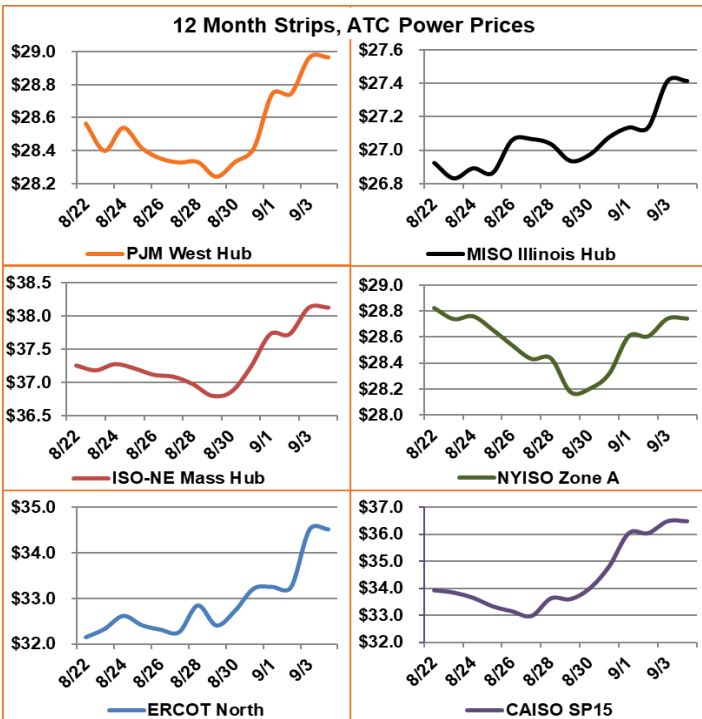
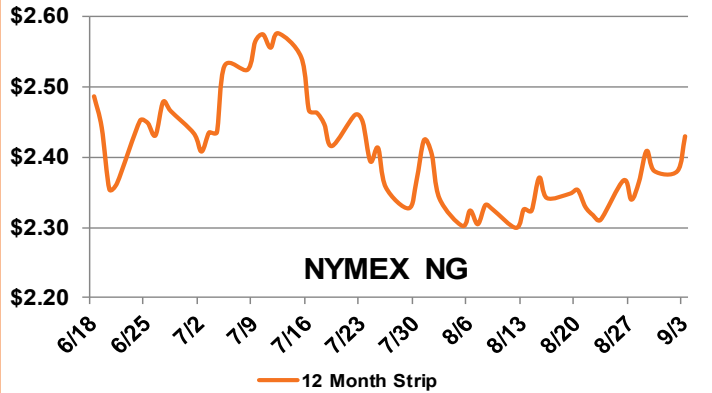
Summary: NYMEX natural gas moved up across all terms during yesterday's trading session, as the October prompt month contract gained 7.3 cents to close at \$2.358/MMBtu, and the twelve-month strip gained a nickel to \$2.43/MMBtu. The last time the prompt month contract closed above the \$2.30 mark was back in July during the hottest period of the summer. The momentum continued out beyond the near term, as the 2020 calendar strip gained nearly four cents to close at \$2.441, followed by the 2021 strip adding 1.8 cents, 2022 climbing 2.5 cents, and 2023 trading up 2.1 cents. Total natural gas demand is expected to fall throughout the week, led by the powerburn sector in the Southeast, as Hurricane Dorian moves north off the coast, potentially causing power outages due to flooding and high winds. The U.S. Energy Information Administration's weekly natural gas storage report tomorrow is expected to show a build of 73 Bcf in the week to August 30, which would beat both last year and the 5-year average.

Bullish Factors

- Growing LNG exports
- Record demand levels
- Hot weather

Bearish Factors

- Record NG production
- Higher associated gas production
- Healthy storage levels



Next Day On-Peak Power (traded for 9/4/2019)

ISO-NE Mass Hub \$25.95	MISO Indiana Hub \$29.00	NYISO Zone G \$29.10
PJM West Hub \$31.47	ERCOT North \$130.09	CAISO SP15 \$59.65
NYMEX NG	Close	Change
Oct-19	2.358	0.073
Nov-19	2.397	0.073
12 Month	2.430	0.050
Cal 20	2.441	0.039
Cal 21	2.473	0.018

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,857	2,797	2,494	2,957
Diff v. Current		60	363	-100
% Diff			14.6%	-3.4%

