

Early Morning Update

The Oct19 natural gas contract is trading down \$0.02 at \$2.43. The Oct19 crude oil contract is up \$0.39 at \$56.65.

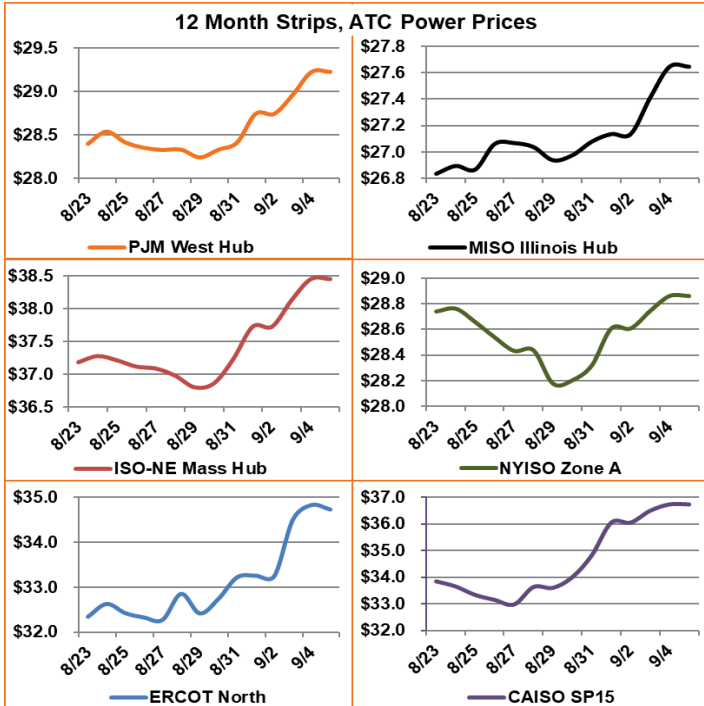
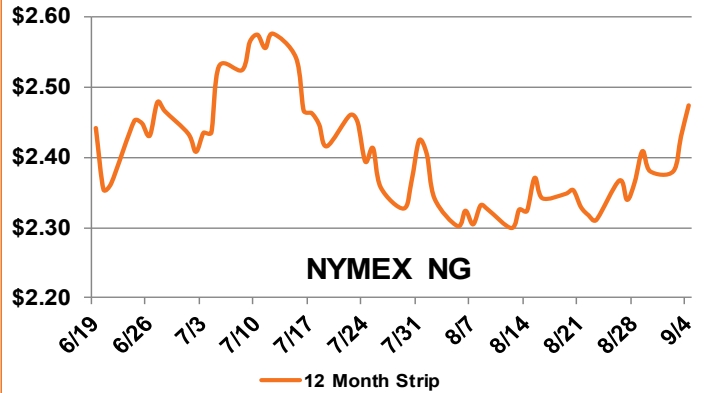
Summary: The NYMEX natural gas prompt month contract continued to strengthen yesterday, closing out at \$2.445/MMBtu, an 8.7 cent gain from the previous trading day. The 2020 calendar strip also strengthened, gaining two cents, while future calendar strips through 2026 all lost roughly two cents. Short-term weather forecasts project above-average temperatures to continue to plague the western portion of the U.S. as well as the South, especially Texas, over the next five days, while the Northeast will experience more fall-like conditions with below-average temperatures. Those mild temperatures in the Northeast are short-lived, though, as the 11-20 day forecast projects broad warmth across the U.S., with almost the entire country forecast to be 3 to 5 degrees above normal. The continued strength in the prompt month contract could be attributed to the unrelenting heat. The U.S. Energy Information Administration will release their weekly storage data today for the week to August 30. Market estimates range widely, with Bentek projecting a 73 Bcf injection in their Supply/Demand Report, yet estimating a 92 Bcf build in their Storage Analytics Report.

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 9/5/2019)

ISO-NE Mass Hub	\$22.26	MISO Indiana Hub	\$27.25	NYISO Zone G	\$22.00
PJM West Hub	\$25.27	ERCOT North	\$973.70	CAISO SP15	\$77.65
NYMEX NG		Close	Change		
Oct-19	2.445	0.087			
Nov-19	2.492	0.095			
12 Month	2.474	0.045			
Cal 20	2.463	0.023			
Cal 21	2.463	-0.010			

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%

