Direct Energy Business

Daily Market Update

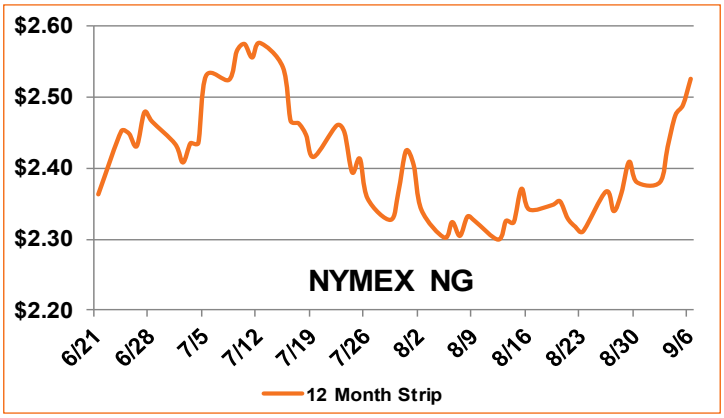
September 9, 2019

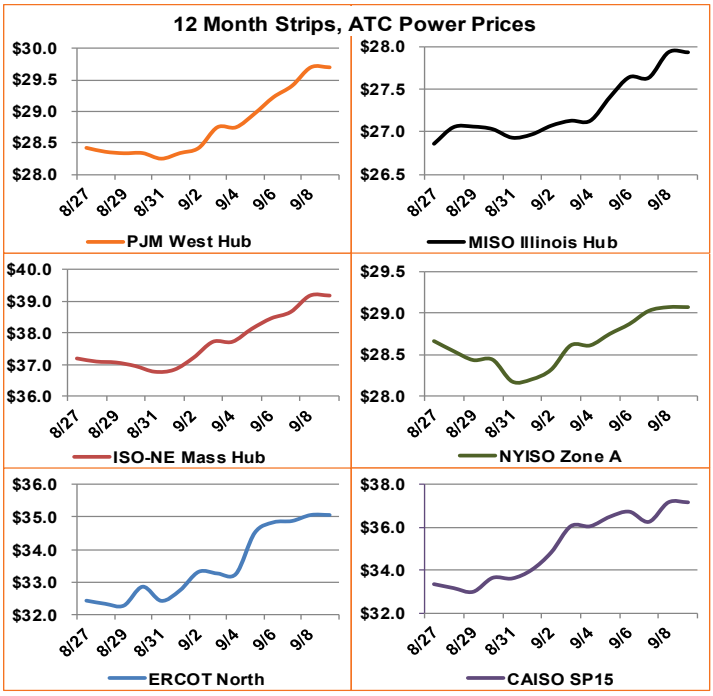
Early Morning Update

The Oct19 natural gas contract is trading up $0.02 at $2.52. The Oct19 crude oil contract is up $0.48 at $57.00.

Summary: On Friday, the Oct19 NYMEX natural gas futures price continued its upward trend, moving up 6.1 cents on the day to settle at $2.496/MMBtu. Compared to the previous weekly settle, just before the holiday, pricing moved up about 21 cents during the short week. Weather forecasts warmed significantly over the weekend, especially for the East Coast. Over the past couple of weeks, Texas has been hit with sustained heat, causing record setting demand and extremely high pricing. While the weather forecasts have moderated slightly for the region, it seems the blanket of heat is expected to continue. Through the end of this month, the Northeast, a major demand center for natural gas, is showing bolstered heat for the region, which could mean a bump in power burn demand. Sur de Texas flows ramped up last week now that an agreement has been reached. However, levels still remain below the volumes we saw back on June 19th during the pipelines commissioning phase. U.S. dry production is averaging about 91.0 Bcf/d so far this month, but a dip in production levels is expected over the next couple of weeks, hovering just under 90.0 Bcf/d. This is still about 6.0 Bcf/d higher than this time last year.

Bullish Factors	Bearish Factors
• Growing LNG exports	• Record NG production
• Record demand levels	• Higher associated gas production
• Hot weather	• Healthy storage levels





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

ISO-NE Mass Hub $23.00	MISO Indiana Hub $30.00	NYISO Zone G $20.75
PJM West Hub $29.74	ERCOT North $28.50	CAISO SP15 $33.63

NYMEX NG	Close	Change
Oct-19	2.496	0.061
Nov-19	2.551	0.060
12 Month	2.526	0.037
Cal 20	2.510	0.027
Cal 21	2.470	-0.006

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,941	2,857	2,558	3,023
Diff v. Current		84	383	-82
% Diff			15.0%	-2.7%