

Early Morning Update

The Oct19 natural gas contract is trading up \$0.04 at \$2.62. The Oct19 crude oil contract is up \$0.54 at \$58.39.

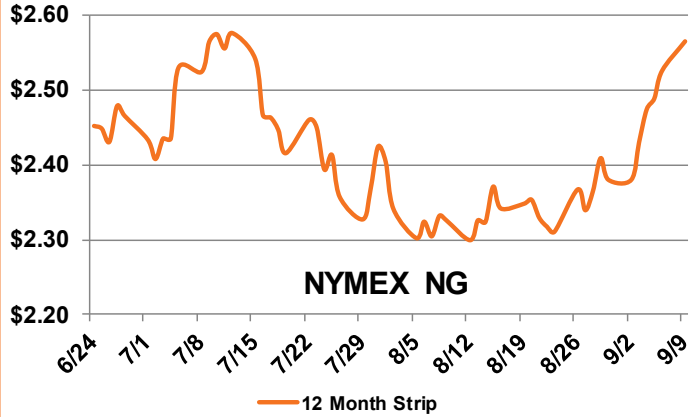
Summary: The October natural gas contract continued its rally yesterday, gaining nearly 9 cents and settling at \$2.585/MMBtu. The last time October settled at this level was right before the summertime slide back in May before bottoming out at nearly \$2 in late July – early August. At this point, nearly all of the weakness from May through August has been erased. Most of the recent strength can be attributed to higher cooling demands, as we're currently on pace for the hottest September on record, particularly in Texas. The market may also be slightly bullish, taking into account the underlying supply issues that are looming in the Appalachian region. Low commodity prices are threatening the business models of some of the more price-sensitive mid-major producers in the region, so near-term and longer-term prices could respond upwards as reliability is threatened.

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 9/10/2019)

ISO-NE Mass Hub \$25.00	MISO Indiana Hub \$39.00	NYISO Zone G \$37.06
PJM West Hub \$37.60	ERCOT North \$25.85	CAISO SP15 \$33.06

NYMEX NG	Close	Change
Oct-19	2.585	0.089
Nov-19	2.625	0.074
12 Month	2.566	0.040
Cal 20	2.533	0.023
Cal 21	2.464	-0.007

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%

