

**Early Morning Update**

The Oct19 natural gas contract is trading down \$0.03 at \$2.52. The Oct19 crude oil contract is down \$1.15 at \$54.60.

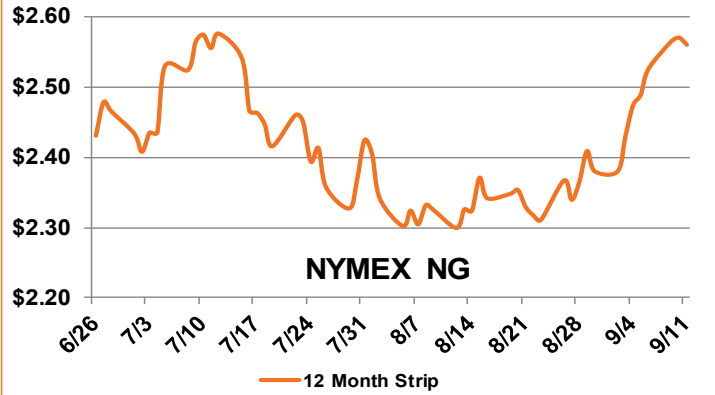
**Summary:** The NYMEX prompt month contract lost 2.8 cents yesterday, settling at \$2.55/MMBtu, while the forward calendar strips remained flat. Weather forecasts are projecting more heat for the eastern half of the U.S. over the next 10 days, which is helping power burn demand stick around longer than normal. So far this month, we are on track to reach the hottest September on record if these temperatures persist. The U.S. Energy Information Administration released their Short Term Energy Outlook yesterday, which is forecasting natural gas production to grow through the end of the year and then drop off slightly during the first quarter of 2020, as a delayed result of low NG prices in the second half of 2019. If this is true, it could create an imbalance with demand, thus putting upward pressure on NG prices. The EIA will also be releasing their weekly storage report later this morning. If natural gas storage inventories for the week of September 6 exceed market expectations, as has been the case for most of this injection season, this would be bearish for the market and could help the prompt month shed a penny or two.

**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 9/12/2019)**

<b>ISO-NE Mass Hub</b> \$27.48	<b>MISO Indiana Hub</b> \$41.38	<b>NYISO Zone G</b> \$27.50
<b>PJM West Hub</b> \$41.69	<b>ERCOT North</b> \$37.50	<b>CAISO SP15</b> \$41.30
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Oct-19	2.552	-0.028
Nov-19	2.589	-0.031
12 Month	2.561	-0.010
Cal 20	2.539	0.001
Cal 21	2.476	0.007

**EIA Natural Gas Storage**

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

