

Early Morning Update

The Oct19 natural gas contract is trading up \$0.01 at \$2.69. The Oct19 crude oil contract is down \$0.90 at \$62.00.

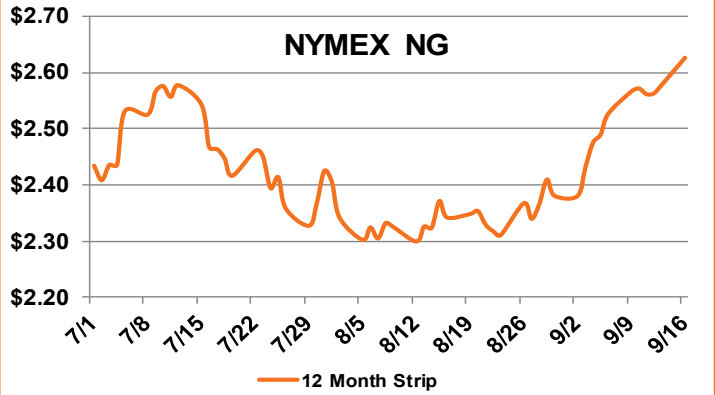
Summary: The bullish trend for natural gas futures contracts continued yesterday. Monthly NYMEX gas contracts through December 2025 gained at least a few cents throughout yesterday's trading activity, but most of upward movement was concentrated to the front of the curve. The prompt month contract settled at \$2.681/MMBtu, nearly seven cents higher from Friday's close. The Nov19-Feb20 strip also climbed about seven cents, settling at \$2.87. Putting the movement in perspective, these five contracts are up approximately 40 cents month over month. Up to this point, most of the pricing decline that began in mid-May has been erased, which began as a result of healthy production eating away at the storage deficit to the five-year average. Most of the current bullishness can be attributed to lingering heat, which could potentially weaken the storage stockpiles at the end of injection season in October. Winter outlooks should be released over the coming weeks, which could further contribute to the market rally.

Bullish Factors

- Growing LNG exports
- Record demand levels
- Hot weather

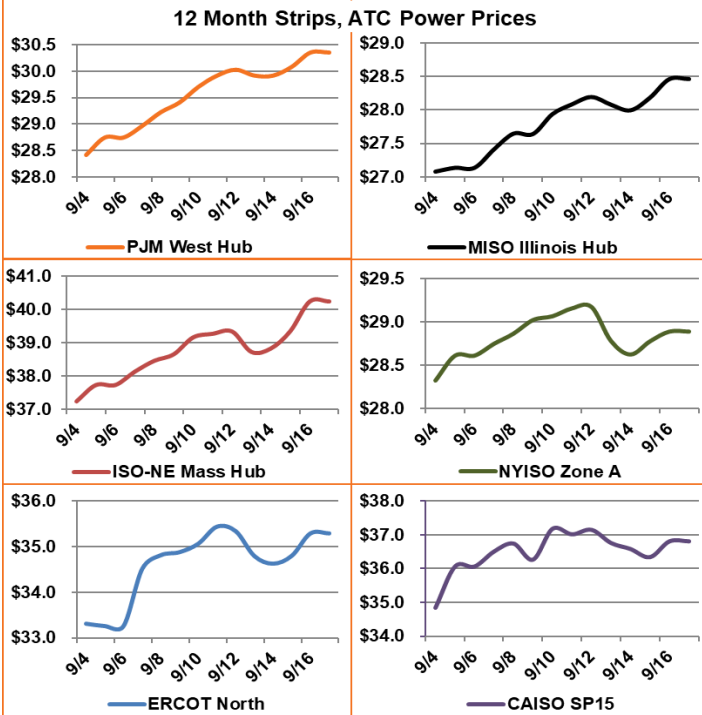
Bearish Factors

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



Next Day On-Peak Power (traded for 9/17/2019)

ISO-NE Mass Hub \$24.72	MISO Indiana Hub \$36.88	NYISO Zone G \$24.63
PJM West Hub \$30.09	ERCOT North \$33.73	CAISO SP15 \$31.12
NYMEX NG	Close	Change
Oct-19	2.681	0.067
Nov-19	2.725	0.072
12 Month	2.626	0.048
Cal 20	2.575	0.036
Cal 21	2.468	0.011



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,019	2,941	2,626	3,096
Diff v. Current		78	393	-77
% Diff			15.0%	-2.5%

