

Early Morning Update

The Oct19 natural gas contract is trading down \$0.02 at \$2.62. The Oct19 crude oil contract is up \$1.09 at \$59.20.

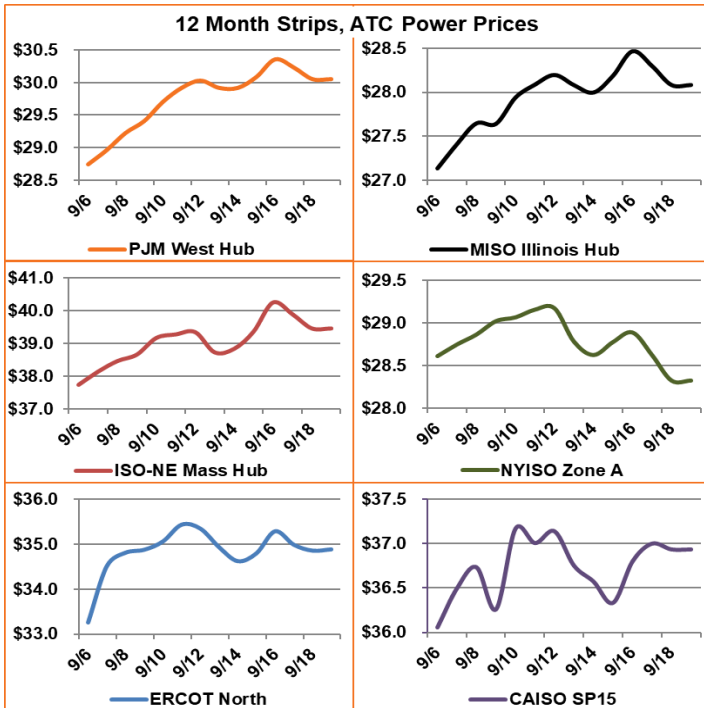
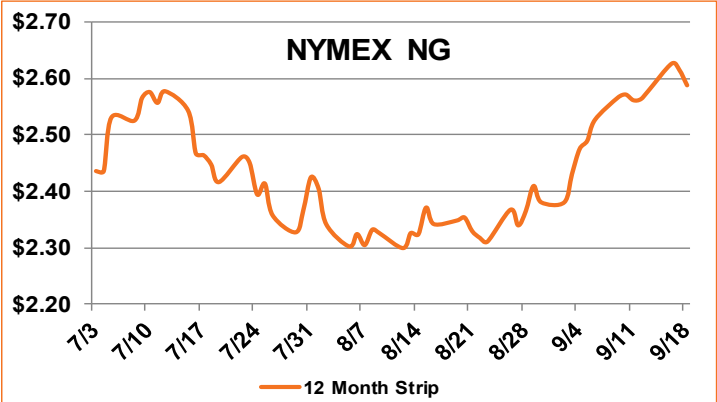
Summary: The natural gas prompt month contract lost 3.1 cents yesterday, settling at \$2.637 MMBtu by the close of trading. Cal 2020 also experienced similar movement and shed 2.1 cents. However, that downward trend remained close to the front of the curve, as future calendar strips past 2020 remained practically flat. We can't seem to kick the need for cooling demand, as above average temperatures are forecasted to stick around in the eastern half of the U.S. well into the first week of October. Also increasing NG demand, the Sur de Texas pipeline announced full commercial operations on Tuesday. With declining rig counts, this could create bullishness in the market if hindered supply cannot keep up with growing demand. With a attention turning towards winter, storage inventories are at a healthy level and continue to close the gap to the 5-year average. Current storage levels are almost 400 Bcf higher than this time last year, which will be advantageous to keeping NG pricing lower, especially with export demand on the rise. Later on today, the EIA will release their weekly storage report, where we will see if we've made another dent to the 5-year average.

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 9/19/2019)

ISO-NE Mass Hub \$22.89	MISO Indiana Hub \$32.78	NYISO Zone G \$23.29
PJM West Hub \$24.96	ERCOT North \$28.87	CAISO SP15 \$29.72
NYMEX NG		
	Close	Change
Oct-19	2.637	-0.031
Nov-19	2.665	-0.035
12 Month	2.587	-0.027
Cal 20	2.547	-0.022
Cal 21	2.468	0.005

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%

