

**Early Morning Update**

The Oct19 natural gas contract is trading up \$0.02 at \$2.56. The Oct19 crude oil contract is up \$0.43 at \$58.56.

**Summary:** The market saw a nice decline in prices yesterday as the prompt month fell nearly 10 cents to close at \$2.538. The 12 month strip also fell \$.056 as the decline in prices was felt into 2020. Past 2020 though, the market was basically unchanged. The EIA did release a bearish storage report showing an injection of 84 Bcf. The consensus of estimates called for a build of 76 Bcf into storage so this report was a bit of a surprise and sent the market lower.

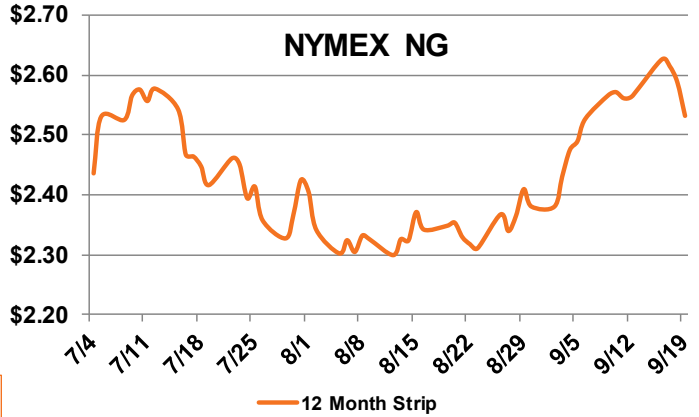
Other fundamentals appear less bearish as weather forecasts continue to show above average temperatures for much of the country. Air-conditioning load looks set to hang around through the first week of October. Despite that, storage estimates for the next three weeks are above the 5-year average and should contribute to a reduction in the deficit. Estimates for storage totals after the next three injections call for 3.383 Bcf, a mere 41 bcf behind the 5-year average if those estimates are realized.

**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 9/20/2019)**

<b>ISO-NE Mass Hub</b> \$25.12	<b>MISO Indiana Hub</b> \$31.08	<b>NYISO Zone G</b> \$23.17
<b>PJM West Hub</b> \$26.01	<b>ERCOT North</b> \$26.97	<b>CAISO SP15</b> \$29.25

NYMEX NG	Close	Change
Oct-19	2.538	-0.099
Nov-19	2.569	-0.096
12 Month	2.531	-0.056
Cal 20	2.507	-0.040
Cal 21	2.464	-0.004

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	<b>3,103</b>	<b>3,019</b>	<b>2,710</b>	<b>3,178</b>
<b>Diff v. Current</b>		<b>84</b>	<b>393</b>	<b>-75</b>
<b>% Diff</b>			<b>14.5%</b>	<b>-2.4%</b>

