

Early Morning Update

The Sep19 natural gas contract is trading down a half penny at \$2.21. The Sep19 crude oil contract is up \$0.47 at \$56.60.

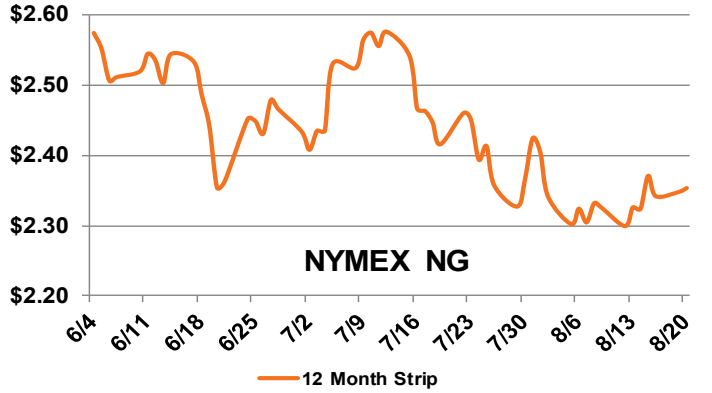
Summary: The NYMEX natural gas prompt month contract strengthened yet again yesterday, opening the trading day at \$2.202/MMBtu and closing at \$2.218/MMBtu, a modest gain of \$0.016. Demand from power burn is starting to fizzle, as temperatures begin to moderate across much of the Midwest today. Further declines in power burn demand are expected as we get closer towards the weekend, as weather forecasts show cooler temperatures across much of the Northeast & Mid-Atlantic. However, the news of lower demand from power burn is being offset by declines in natural gas production, as well as increases in demand for exports. Since reaching a new all-time high of 91.3 Bcf/day on Monday, Aug. 19, production has since dropped below 90 Bcf/day for Tuesday and Wednesday. LNG feedgas is projected to ramp back up to 6.3 Bcf/day today. Looking ahead, tomorrow's EIA storage report is expected to report an injection higher than both last year and the 5-year average.

Bullish Factors

- High LNG exports
- Record demand levels
- Hot weather

Bearish Factors

- Record NG production
- Higher associated gas production
- Above-average storage injections



Next Day On-Peak Power (traded for 8/21/2019)

ISO-NE Mass Hub \$35.12	MISO Indiana Hub \$33.00	NYISO Zone G \$36.19
PJM West Hub \$33.52	ERCOT North \$38.26	CAISO SP15 \$36.68

NYMEX NG	Close	Change
Sep-19	2.218	0.008
Oct-19	2.219	0.006
12 Month	2.353	0.005
Cal 20	2.392	0.002
Cal 21	2.423	-0.009

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,738	2,689	2,381	2,849
Diff v. Current		49	357	-111
% Diff			15.0%	-3.9%

