

Early Morning Update

The Sep20 natural gas contract is flat at \$2.19. The Sep20 crude oil contract is up \$1.41 at \$43.11.

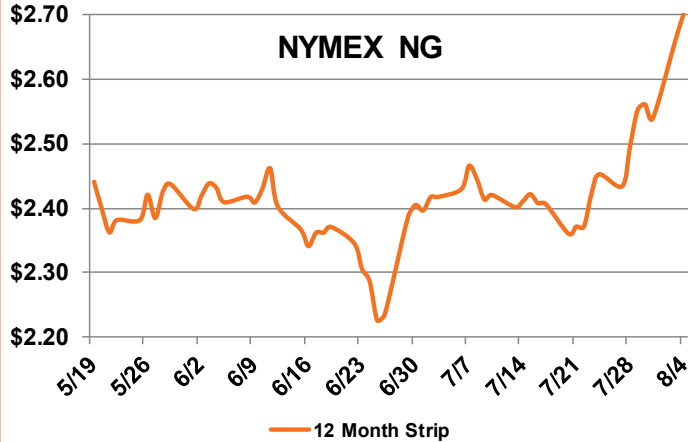
Summary: NYMEX continued to move higher in the near term during yesterday's trading session with the prompt month September contract gaining 9.2 cents to close just under \$2.20/MMBtu. The strip for the balance of 2020 followed behind gaining 7 cents while the 12 month strip added 3.7 cents. The calendar strip for 2021 gained 1.7 cents to \$2.765 while all others on the board moved less than a penny and remain backwardated through 2023. Supply and demand fundamentals are largely unchanged over the past few days as production is holding steady near 87 Bcf/d and U.S. demand sits just above 74 Bcf/d, right around the average for the past seven days. There is some expectation that powerburn demand will be bolstered over the next few weeks on A/C demand as above average temperatures are in the forecast for the Texas/mid-Con/Northeast regions through the 5-20 day period. Fast moving Hurricane Isaias is continuing north to Canada today after moving through New Jersey, New York, and Connecticut yesterday and leaving at least 2.5 million customers without power.

Bullish Factors

- Curtailed production
- Very high power burns
- Above-normal temperatures

Bearish Factors

- Coronavirus impacts on demand
- Healthy storage levels
- Huge decline in LNG exports



Next Day On-Peak Power (traded for 8/5/2020)

ISO-NE Mass Hub \$33.32	MISO Indiana Hub \$24.13	NYISO Zone G \$23.30
PJM West Hub \$25.59	ERCOT North \$22.00	CAISO SP15 \$24.02

NYMEX NG	Close	Change
Sep-20	2.193	0.092
Oct-20	2.334	0.095
12 Month	2.700	0.038
Cal 21	2.766	0.017
Cal 22	2.550	-0.005

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,241	3,215	2,615	2,812
Diff v. Current		26	626	429
% Diff			23.9%	15.3%

