

Early Morning Update

The Sep20 natural gas contract is trading up \$0.04 at \$2.20. The Sep20 crude oil contract is down \$0.54 at \$41.41.

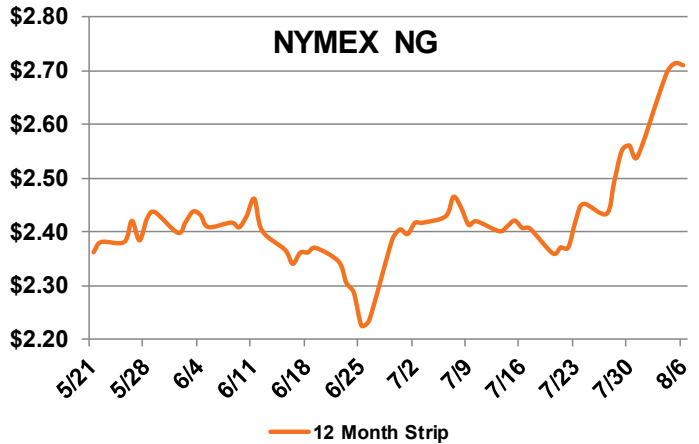
Summary: The NYMEX NG prompt month contract bounced around yesterday, trading within a fairly wide range before ultimately settling down \$0.026 to close at \$2.165. This has been a wild week on the NYMEX with the prompt month contract trading up nearly \$0.40 on the week. Higher industrial demand, higher exports, hotter temps, low rig counts and speculative/technical trading all helped push the market higher this week. The EIA yesterday reported a build into storage of 33 Bcf, slightly above estimates. Storage levels remain well above last years' level and on-track to end the injection season around 4.0 Tcf. The market is still somewhat concerned that production could slow just as demand picks up through a recovering economy and heating demand, so pricing for the first quarter of 2021 could see more volatility. On the power side, index prices remain very low as the milder weather this week has kept demand down. Next week is showing higher demand levels but index pricing so far this summer have failed to materialize even through a near-record summer-to-date

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 8/7/2020)

ISO-NE Mass Hub \$24.86	MISO Indiana Hub \$26.31	NYISO Zone G \$22.19
PJM West Hub \$27.80	ERCOT North \$23.30	CAISO SP15 \$24.00

NYMEX NG	Close	Change
Sep-20	2.165	-0.026
Oct-20	2.305	-0.026
12 Month	2.710	-0.004
Cal 21	2.785	0.005
Cal 22	2.553	0.003

EIA Natural Gas Storage				
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,274	3,241	2,673	2,845
Diff v. Current		33	601	429
% Diff			22.5%	15.1%

