

Early Morning Update

The Sep20 natural gas contract is trading down \$0.03 at \$2.14. The Sep20 crude oil contract is up \$0.79 at \$42.40.

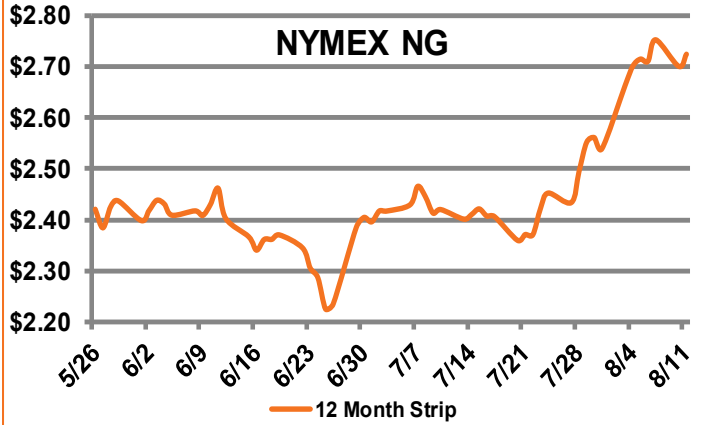
Summary: The NYMEX natural gas prompt month contract gained \$0.018/MMBtu yesterday, opening the day at \$2.153/MMBtu and closing at \$2.171/MMBtu. However, longer-term NYMEX contracts starting in April 2025 sold off \$0.085/MMBtu of their prior day value, an interesting move. Overall, the moves continue to support the thought that near to medium-term demand may outpace supply, which has taken a hit due to an increased focus on capital discipline by E&P's. Natural gas production is averaging 87.6 Bcf/day so far this month, a 4.8 Bcf/day drop vs. this time last year. All the while, demand remains relatively resilient, given the circumstances of the pandemic. Year-to-date demand is averaging 81.4 Bcf/day, down 2.1 Bcf/day vs. last year. The number one sector buoying year-to-date demand continues to be power burn, which is averaging 1.8 Bcf/day higher than last year. Looking ahead, tomorrow's storage report from the U.S. Energy Information Administration is expected to report an injection that is less than the 5-year average.

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

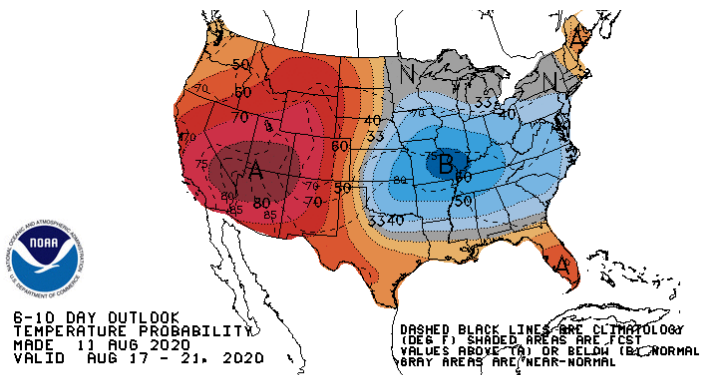
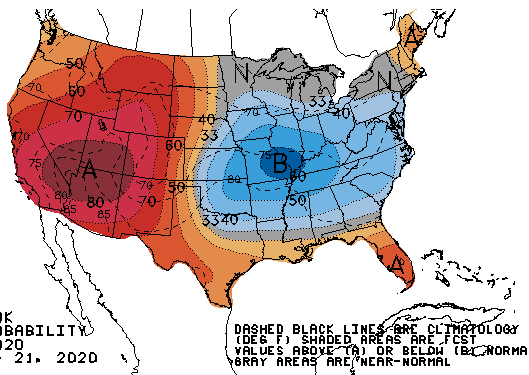
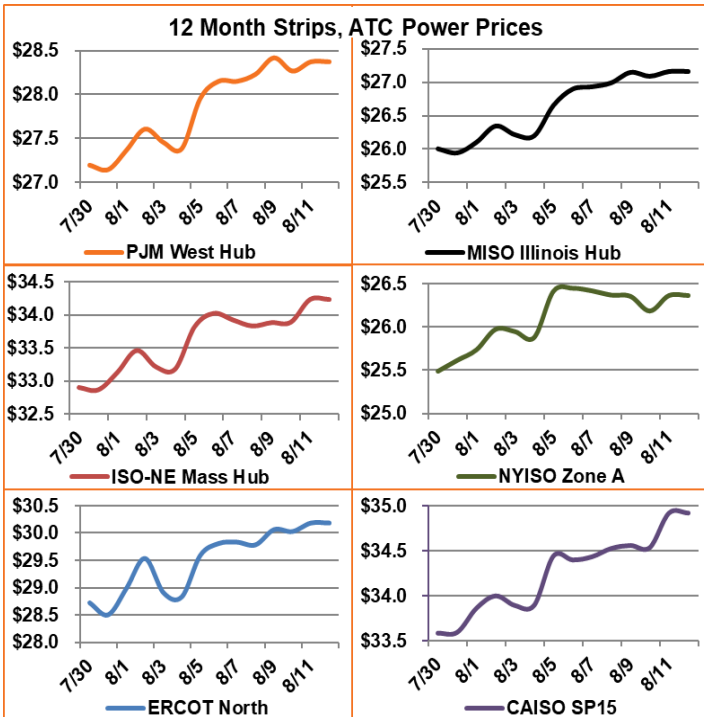


Next Day On-Peak Power (traded for 8/12/2020)

ISO-NE Mass Hub \$42.02	MISO Indiana Hub \$33.18	NYISO Zone G \$29.25
PJM West Hub \$32.16	ERCOT North \$25.17	CAISO SP15 \$34.92
NYMEX NG		
	Close	Change
Sep-20	2.171	0.018
Oct-20	2.311	0.024
12 Month	2.724	0.024
Cal 21	2.801	0.022
Cal 22	2.569	0.013

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%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 11 AUG 2020
VALID AUG 17 - 21, 2020

DASHED BLACK LINES ARE CLIMATOLOGY
(DEG F) SHADED AREAS ARE FCST
VALUES ABOVE (A) OR BELOW (B) NORMAL
GRAY AREAS ARE NEAR-NORMAL



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