

**Early Morning Update**

The Sep20 natural gas contract is trading down \$0.02 at \$2.49. The Oct20 crude oil contract is up \$0.73 at \$43.35.

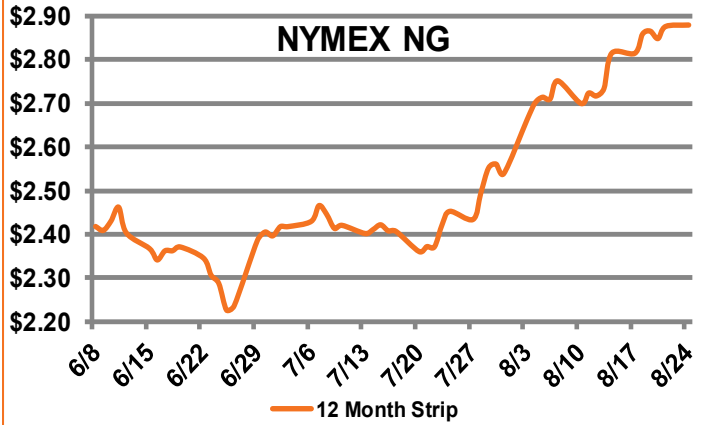
**Summary:** The NYMEX natural gas prompt month closed yesterday at \$2.513/MMBtu, up another \$0.065 on the day. The Cal '21 calendar strip, which had been rallying, as well, lost a little less than a penny yesterday, closing at \$2.905/MMBtu, and is nearly flat this morning, up just slightly to \$2.908/MMBtu. The major story continues to be the tropical weather in the Gulf. Marco weakened quickly yesterday to a tropical depression, but Laura entered the Gulf of Mexico this morning and has the potential of increasing to a Category 3 hurricane before making landfall somewhere between Galveston and the Texas/Louisiana border. Almost half of the offshore platforms in the Gulf have been evacuated, with about 57% of natural gas production curtailed in the region. The storms are unlikely to have much of an impact on global LNG, with the coronavirus having already weakened global demand and resulting in cancelled U.S. export cargoes since April. But a recent uptick in U.S. LNG exports to Asian markets has shown a promising turn in the right direction, so hopefully any impacts from Laura on production and exports will be minimal.

**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 8/25/2020)**

ISO-NE Mass Hub \$33.88	MISO Indiana Hub \$42.86	NYISO Zone G \$30.00
PJM West Hub \$38.33	ERCOT North \$34.64	CAISO SP15 \$65.41

NYMEX NG	Close	Change
Sep-20	2.513	0.065
Oct-20	2.616	0.043
12 Month	2.880	0.003
Cal 21	2.905	-0.008
Cal 22	2.645	0.001

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	3,375	3,332	2,780	2,933
<b>Diff v. Current</b>		43	595	442
<b>% Diff</b>			21.4%	15.1%

