

Early Morning Update

The Oct20 natural gas contract is trading down \$0.02 at \$2.69. The Oct20 crude oil contract is up \$0.06 at \$43.10.

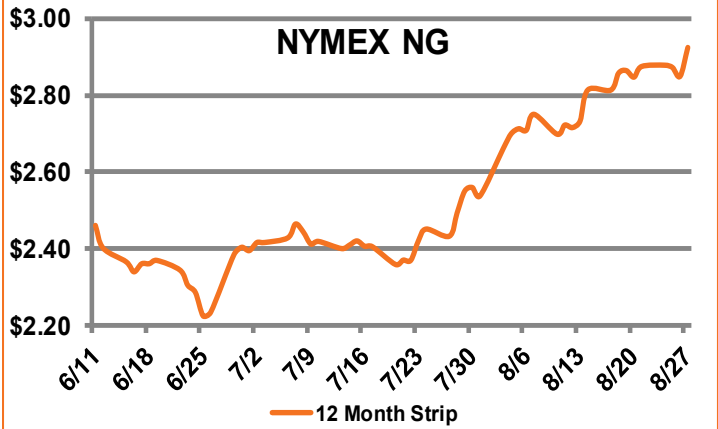
Summary: Since its debut as the prompt month four weeks ago, the Sep '20 NYMEX natural gas contract had rallied over 60 cents to levels the market had not seen since last year. On its final day of trading yesterday, the contract went out with a bang, piling on another 11.8 cents to ultimately settle at \$2.579/MMBtu. Yesterday's jump in prices was confined to the front of the NYMEX curve, however, with Q4-20 gaining \$0.12, Cal '21 up a nickel, and the rest of the curve relatively flat. This comes on the heels of major production cuts in the Gulf of Mexico, where Hurricane Laura, the strongest storm on record to hit the southwest LA/eastern TX region, forced the evacuation of over 300 platforms and rigs and shutting in about 2.7 Bcf/d of offshore natural gas production. Tempering this loss of supply, however, was the shutdown of two of this country's largest LNG export facilities, Sabine Pass and Cameron LNG, which represent a drop of 2.3 Bcf/d in feedgas demand. Demand destruction from the storm should tip the scales into a bearish picture for the region, with market analysts questioning how much destruction will there be and how long will it take to get back.

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



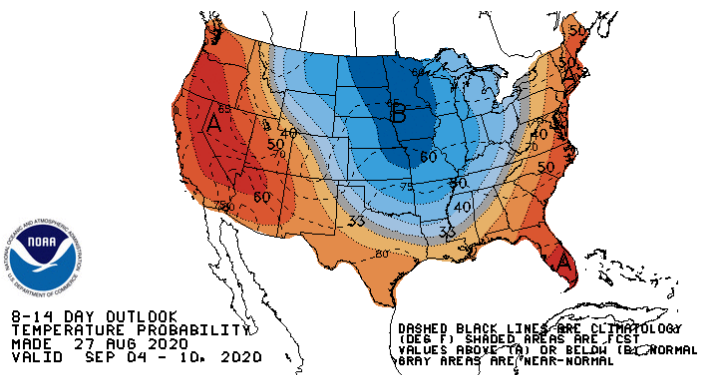
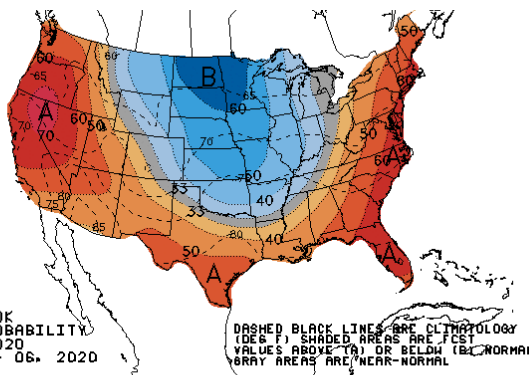
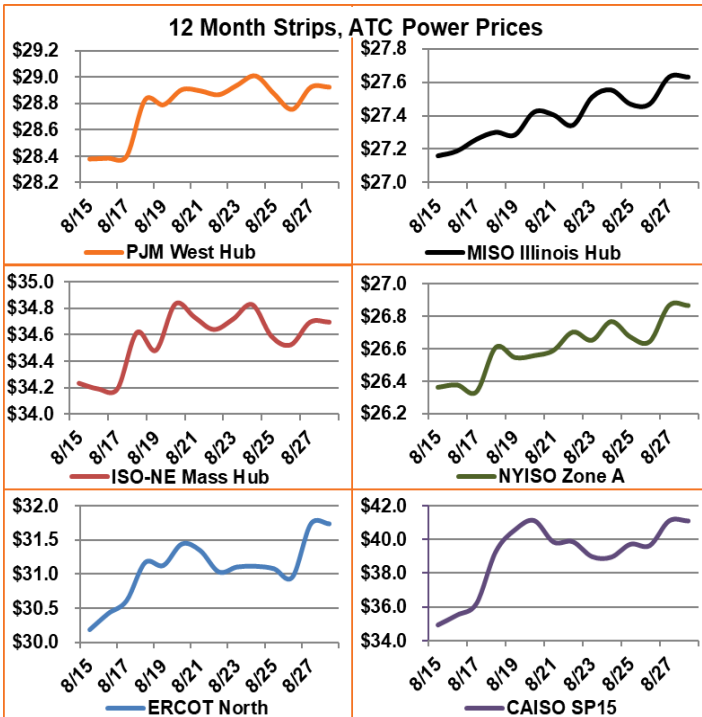
Next Day On-Peak Power (traded for 8/28/2020)

ISO-NE Mass Hub \$24.39	MISO Indiana Hub \$35.50	NYISO Zone G \$26.45
PJM West Hub \$30.53	ERCOT North \$50.00	CAISO SP15 \$58.25

NYMEX NG	Close	Change
Sep-20	2.579	0.118
Oct-20	2.710	0.136
12 Month	2.926	0.075
Cal 21	2.933	0.045
Cal 22	2.646	0.004

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,420	3,375	2,840	2,982
Diff v. Current		45	580	438
% Diff			20.4%	14.7%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 27 AUG 2020
VALID SEP 02 - 06, 2020

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



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 27 AUG 2020
VALID SEP 04 - 10, 2020

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

