

Early Morning Update

The Oct20 natural gas contract is trading down \$0.08 at \$2.58. The Oct20 crude oil contract is up \$0.33 at \$43.30.

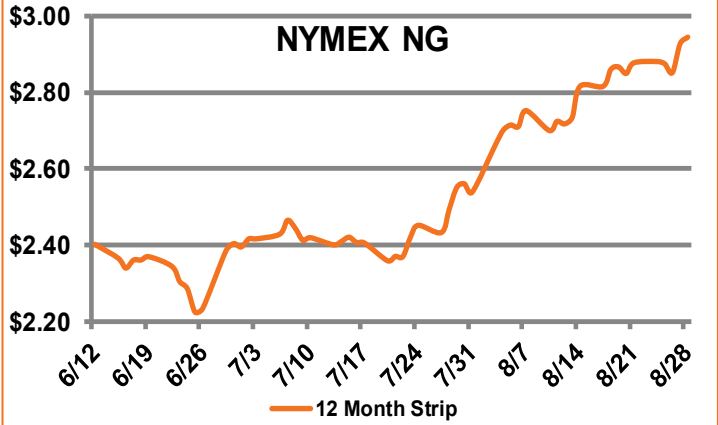
Summary: On Friday, the Oct '20 NYMEX natural gas contract debuted as the prompt month, moving up 7.8 cents on the day to settle at \$2.657/MMBtu, while the Nov '20 contract gained 20 cents, settling at \$2.916. Northeast production is seeing limited export capacity, tightening storage availability at a time when demand is lowering in the region. Some slightly warmer-than-normal temps are expected to move into the Northeast this week, but quickly retreat in the 6-10 days forecast. The heat in the West has been relentless, and the next few weeks' forecasts are not showing anything different. The middle of the country looks to be at normal to cooler-than-normal temps to start off the month of September. A positive for producers right now, especially up in the Northeast, is that, with the recent rally in pricing, returns are looking better, but it seems operators are reacting cautiously to the recent spike. LNG exports remain down after Hurricane Laura, but there are expectations that feedgas should pick up again and continue an upward trend as we head into next month. Exports to Mexico remain near the all-time high levels. Over the past week, U.S. dry production declined, averaging just over 85.0 Bcf/d.

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

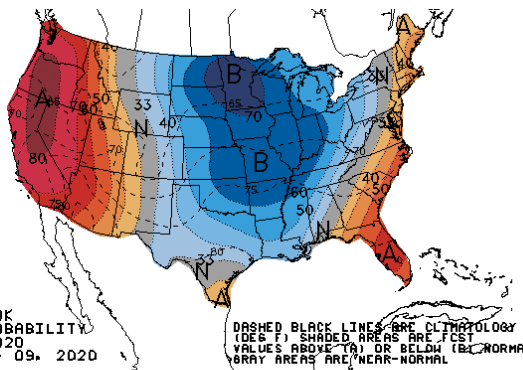
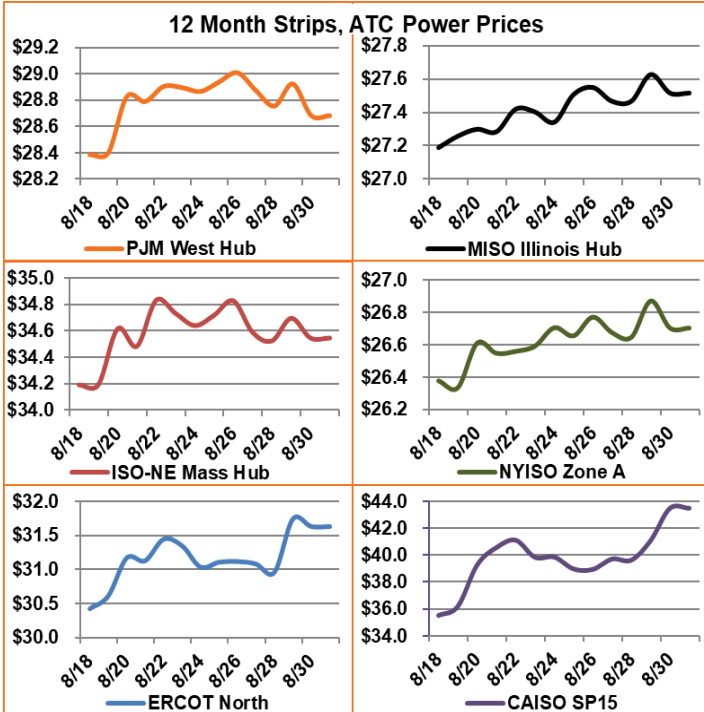


Next Day On-Peak Power (traded for 8/31/2020)

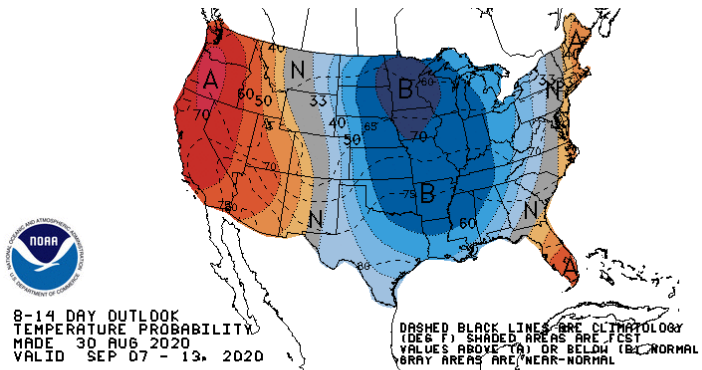
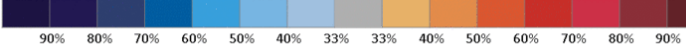
ISO-NE Mass Hub \$17.39	MISO Indiana Hub \$26.02	NYISO Zone G \$19.08
PJM West Hub \$24.10	ERCOT North \$43.90	CAISO SP15 \$49.62
NYMEX NG	Close	Change
Oct-20	2.657	0.078
Nov-20	2.916	0.206
12 Month	2.944	0.017
Cal 21	2.939	-0.011
Cal 22	2.637	-0.031

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 30 AUG 2020
VALID SEP 05 - 09, 2020



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 30 AUG 2020
VALID SEP 07 - 13, 2020

