

**Early Morning Update**

The Sep20 natural gas contract is trading up \$0.02 at \$1.85. The Sep20 crude oil contract is up \$0.47 at \$40.39.

**Summary:** The prompt NG contract slipped yesterday and fell \$.101 to close at \$1.829. The drop came after two weeks of a slow grind higher as demand for gas for power generation was very high as air conditioners were running flat-out. With weather forecasts moderating and the price of prompt gas approaching \$2, the market took the opportunity to sell-off. Long-term NG remained elevated as concerns over higher demand due to the Ohio nuclear bailout issue continues. Due to the potential repeal of the bailout, the market is concerned about higher demand from gas-fired power plants in Ohio

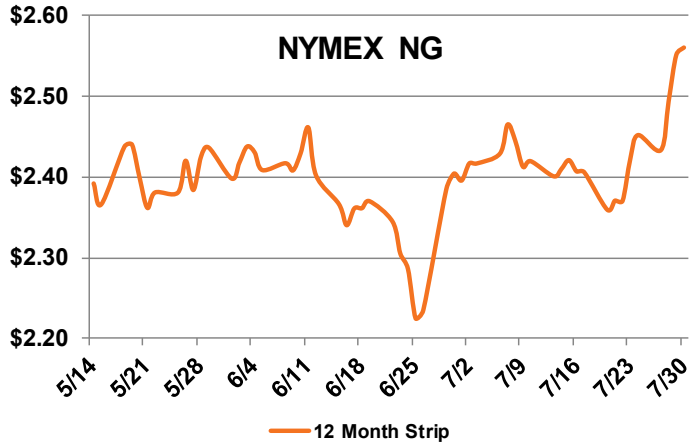
On the power side, index prices remain low across the country, despite high demand levels as temps were elevated nearly everywhere. Forward prices for PJM markets have been ticking higher though as the Ohio nuclear bailout issue continues to cause uncertainty. Texas pricing has been moving down though as the its grid has performed very well so far this year. The summer is not over but so far, so good.

**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 7/31/2020)**

ISO-NE Mass Hub \$26.88	MISO Indiana Hub \$27.00	NYISO Zone G \$26.08
PJM West Hub \$24.70	ERCOT North \$27.29	CAISO SP15 \$37.93

NYMEX NG	Close	Change
Sep-20	1.829	-0.101
Oct-20	1.991	-0.088
12 Month	2.560	-0.059
Cal 21	2.698	-0.041
Cal 22	2.531	-0.017

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,241	3,215	2,615	2,812
Diff v. Current		26	626	429
% Diff			23.9%	15.3%

