

**Early Morning Update**

The Oct20 natural gas contract is trading up \$0.06 at \$2.46. The Oct20 crude oil contract is up \$0.44 at \$37.20.

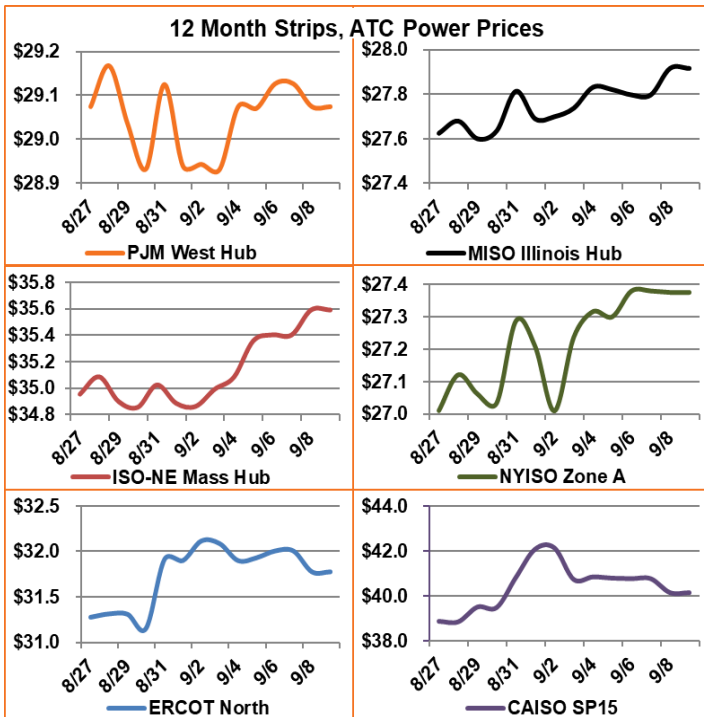
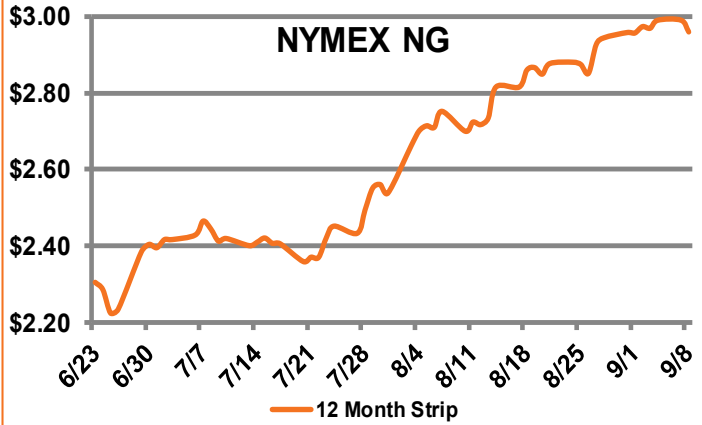
**Summary:** Yesterday, the NYMEX natural gas prompt month contract lost a whopping \$0.188/MMBtu (7.3%), opening the day at \$2.588/MMBtu and closing at \$2.400/MMBtu. Part of the drop could be due to a possible correction from this past Friday, which saw prices run up ten cents just before the holiday weekend. Temperatures are plunging in the Rockies this week, as a rare early season winter storm is brewing. This should prop heating demand in the region for at least a few days before temperatures return to normal. Production of natural gas has averaged 87.3 Bcf/day so far this month, a 6.2 Bcf/day loss vs. last year, but back to levels seen a few weeks ago. Looking ahead, tomorrow's storage report from the U.S. Energy Information Administration is expected to show an injection for the week to September 4 of about 67 Bcf, less than both last year and 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 9/9/2020)**

ISO-NE Mass Hub \$31.86	MISO Indiana Hub \$27.08	NYISO Zone G \$26.15
PJM West Hub \$30.17	ERCOT North \$18.50	CAISO SP15 \$39.78
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Oct-20	2.400	-0.188
Nov-20	2.892	-0.095
12 Month	2.959	-0.031
Cal 21	2.991	0.000
Cal 22	2.656	0.014

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	3,455	3,420	2,917	3,048
<b>Diff v. Current</b>		35	538	407
<b>% Diff</b>			18.4%	13.4%

