

**Early Morning Update**

The Oct20 natural gas contract is trading down \$0.05 at \$2.58. The Oct20 crude oil contract is up \$0.44 at \$43.05.

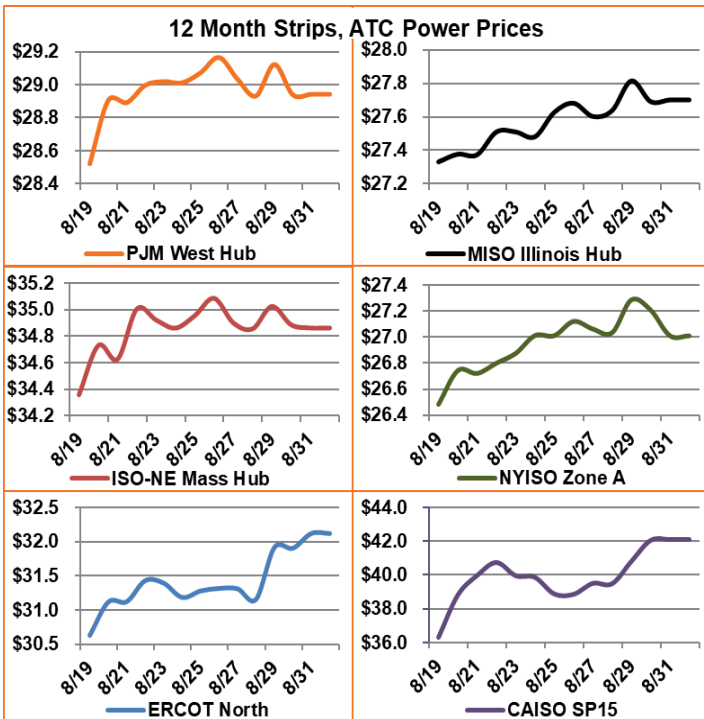
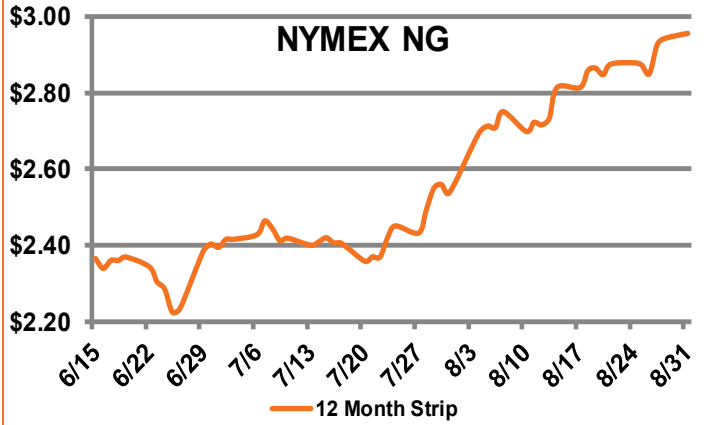
**Summary:** Weather takes on the spotlight today, since the rest of this week seems to have a cooler Midcontinent region, while the coasts remain at above-average temperatures. California, a market where emergency declarations have been used to prevent rolling blackouts, is in dire need of a break from the heat. However, while some areas are not that far above normal and others will remain as high as eight degrees above normal, there are record-breaking temperatures expected next week. As California and other western states battle the heat, we will see the rest of the country start to cool down, starting in the Midcon. This comes at the tail end of Hurricane Laura, which temporarily curtailed some natural gas production and locked other production in place. As a result, two of the United States' largest LNG feedgas delivery points are still not exporting while inspections and restorative operations continue. Despite feedgas deliveries remaining at depressed levels, Mexican exports for natural gas have remained extremely high. In these COVID times, we have recently seen as much as 6.5 Bcf/d being sent to our downward neighbor, breaking all-time records.

**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 9/1/2020)**

ISO-NE Mass Hub \$19.84	MISO Indiana Hub \$26.75	NYISO Zone G \$20.86
PJM West Hub \$23.75	ERCOT North \$27.00	CAISO SP15 \$39.39
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Oct-20	2.630	-0.027
Nov-20	2.920	0.004
12 Month	2.958	0.014
Cal 21	2.953	0.013
Cal 22	2.628	-0.010

**EIA Natural Gas Storage**

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

