

Early Morning Update

The Oct20 natural gas contract is trading up \$0.02 at \$2.51. The Oct20 crude oil contract is down \$0.71 at \$40.80.

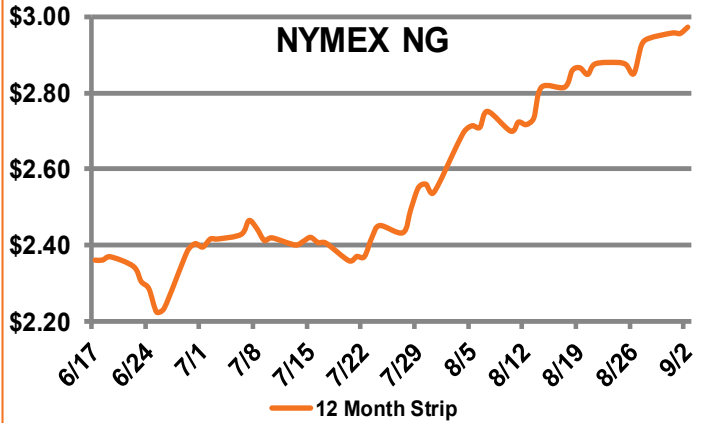
Summary: The October NYMEX natural gas contract closed out yesterday's trading session at \$2.486/MMBtu, down four cents from the prior day's close. The prompt month was the only near-term month to experience a loss, as all other months in the 12-month strip gained two cents on average. Similarly, the 2021 calendar strip also increased by two cents, but, beyond that, future calendar strips remained basically flat day-over-day. Over the past few weeks, we've seen Q1 '21 strengthen, as the market anticipates natural gas demand to continue growing, particularly for LNG exports and exports to Mexico. This growth coincides perfectly with the winter season and could be cause for concern if we don't see an improvement to our currently waning natural gas production levels. Later on today, the U.S. Energy Information Administration will release their natural gas storage report for the week ending August 28. Market analysts are expecting an injection of around 36 Bcf to be reported, which is about half of the 5-year average benchmark. Looking ahead, the total of the next two storage estimates are also predicted to be lower than the 5-year average by approximately 43 Bcf.

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

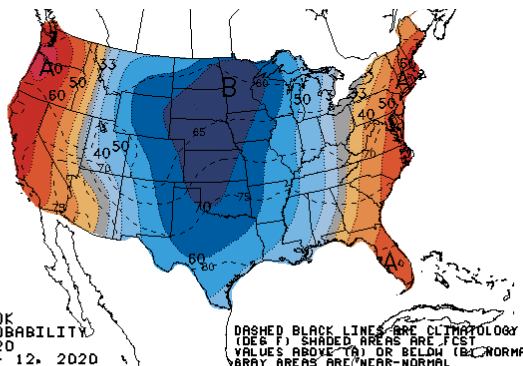
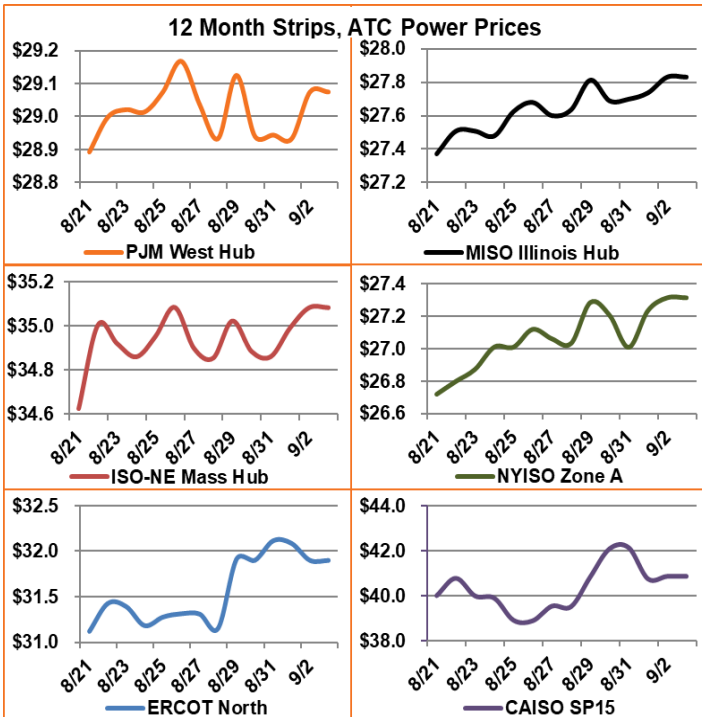


Next Day On-Peak Power (traded for 9/3/2020)

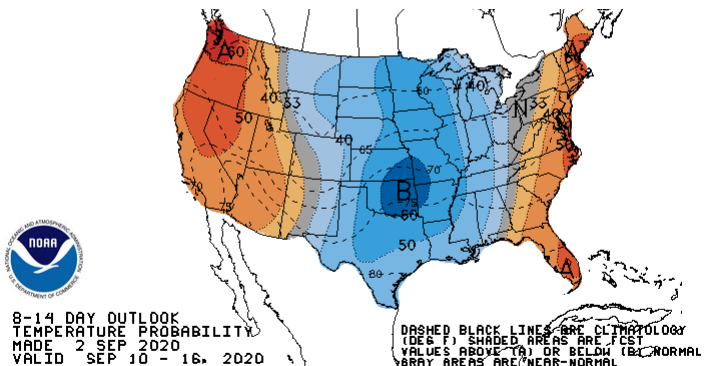
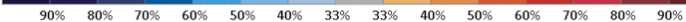
ISO-NE Mass Hub \$26.96	MISO Indiana Hub \$26.95	NYISO Zone G \$26.71
PJM West Hub \$27.90	ERCOT North \$25.42	CAISO SP15 \$75.44
NYMEX NG	Close	Change
Oct-20	2.486	-0.041
Nov-20	2.931	0.030
12 Month	2.973	0.017
Cal 21	2.982	0.020
Cal 22	2.635	0.006

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 2 SEP 2020
VALID SEP 08 - 12, 2020



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 2 SEP 2020
VALID SEP 10 - 16, 2020

