

Join Kyle Cooper at 3:00 pm EST every Wednesday for his "Cooper on Oil & Gas" Live Chat on www.enelyst.com

Kyle Cooper, (713) 248-3009, Kyle.Cooper@iafadvisors.com

Week Ending August 9, 2019

Please contact me to review a joint RBN Energy daily publication detailing natural gas fundamentals.

Price Action: The spot price fell 0.2 cents (0.1%) to \$2.119 on a 12.6 cent range (\$2.155/\$2.029).

Price Outlook: Prices slid despite bullish weather forecasts and a smaller than expected storage injection. However, although power demand possibly established a new daily record near 45 bcf, the summer is rapidly coming to a close and US production is rising while LNG exports slipped due to maintenance. The market has established a new weekly low for 4 weeks in a row. That is becoming extended, but still far shy of the record 9 consecutive weeks with a new week. The market can fall further. **For daily updated storage projections, subscribe to our joint publication with RBN Energy.** CFTC data indicated a (3,194) contract increase in the net short managed money position as longs added and shorts added. This is the largest net short position we have on record with current comparable data sets. However, the current 398,663 shorts are far shy of the record 600,403 shorts from February 21, 2012. The 190,525 longs are slightly larger than last week's 188,788 but are just a fraction of the record 809,556 longs from April 16, 2013. Total open interest rose 137,618 to 3.555 million as of August 06. Aggregated CME futures open interest rose 22,585 to 1.365 million as of August 09. **The current weather forecast is now warmer than 9 of the last 10 years. Pipeline data indicates total flows to Cheniere's Sabine Pass export facility were at 2.2 bcf. Cove Point is net exporting 0.7 bcf. Corpus Christi is exporting 0.840 bcf. Cameron is exporting 0.575 bcf. Freeport is exporting 0.050 bcf. Elba Island is exporting 0.015.**

Weekly Storage: US working gas storage for the week ending August 2 indicated an injection of +55 bcf. Working gas inventories rose to 2,689 bcf. Current inventories rise 336 bcf (14.3%) above last year and fall (110) bcf (-3.9%) below the 5-year average.

Storage Outlook: The EIA weekly implied flow was (6) bcf from our EIA storage estimate. This week's storage estimate remained within our error tolerance. Over the last five weeks, the EIA has reported total injections of +299 bcf compared to our +292 bcf estimate. The forecasts use a 10-year rolling temperature profile past the 15-day forecast. **Our joint publication with RBN updates storage projections daily.**

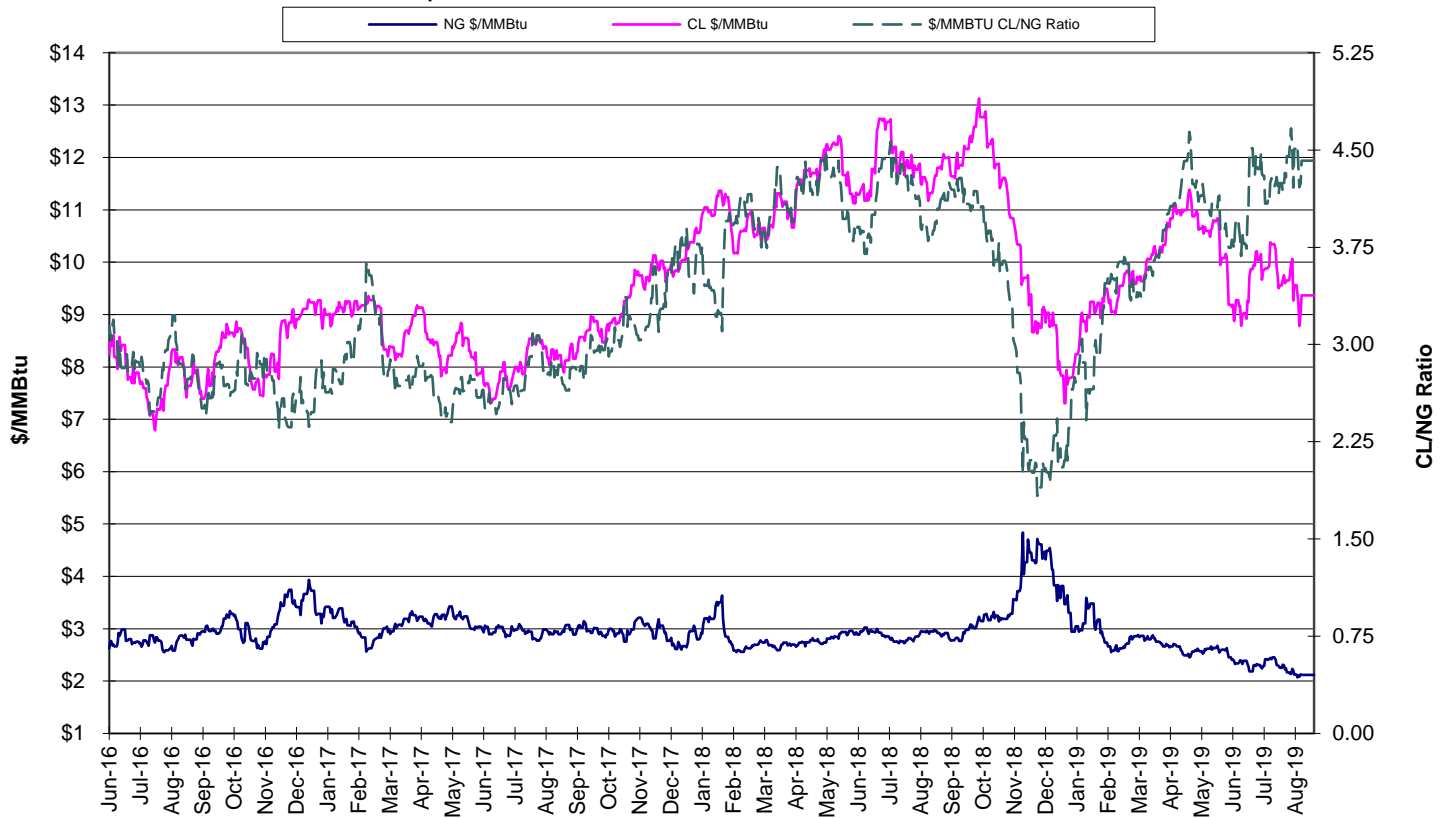
Supply Trends: Total supply rose 1.2 bcf/d to 85.2 bcf/d. US production rose. Canadian imports fell. LNG imports rose. LNG exports fell. Mexican exports fell. The US Baker Hughes rig count fell (8). Oil activity decreased (6). Natural gas activity decreased (2). The total US rig count now stands at 934. The Canadian rig count rose +3 to 140. Thus, the total North American rig count fell (5) to 1,074 and now trails last year by (192). **The higher efficiency US horizontal rig count fell (2) to 817 and falls (107) below last year.**

Demand Trends: Total demand rose +1.3 bcf/d to +77.1 bcf/d. Power demand rose. Industrial demand fell. Res/Comm demand rose. Electricity demand rose +1,340 gigawatt-hrs to 90,616 which exceeds last year by +2,176 (2.5%) and exceeds the 5-year average by 1,718 (1.9%).

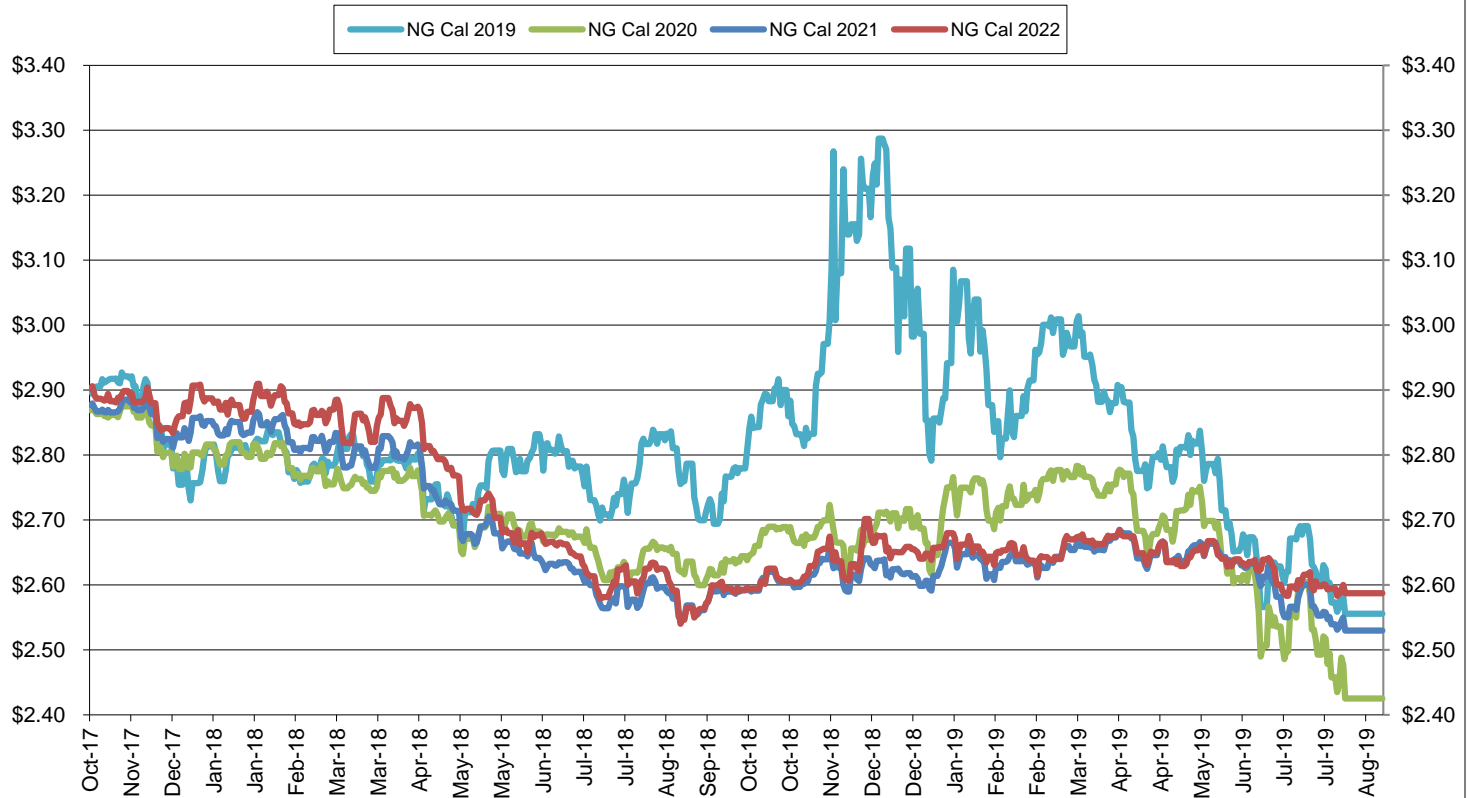
Nuclear Generation: Nuclear generation fell (1,351) MW in the reference week to 93,021 MW. This is (3,594) MW lower than last year and (2,456) MW lower than the 5-year average. **Recent output was at 96,290 MW.**

- The cooling season is beginning. With a forecast through August 23, the 2019 total cooling index is at 3,338 compared to 4,690 for 2018, 3,889 for 2017, 4,812 for 2016, 3,471 for 2015, 2,662 for 2014, 3,799 for 2013, 6,422 for 2012 and 5,284 for 2011.

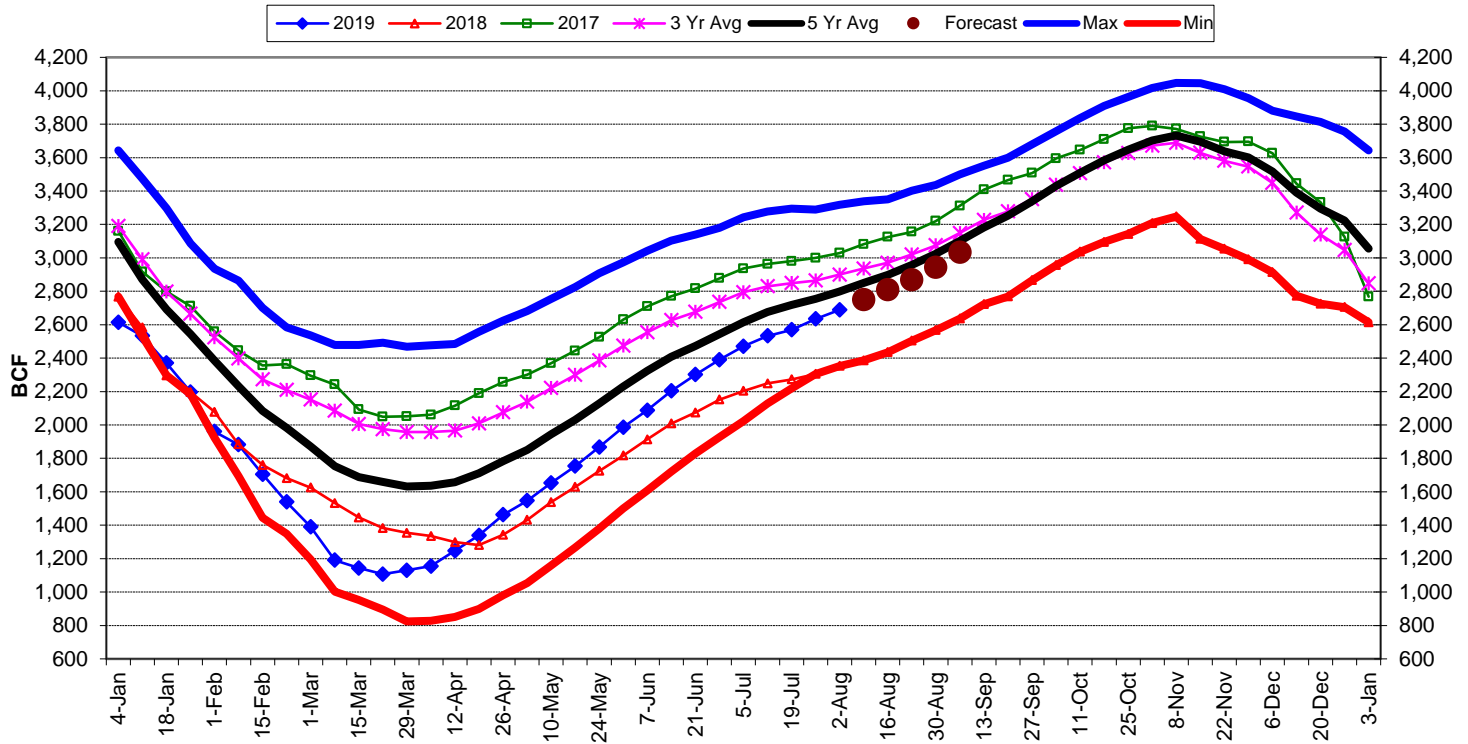
\$/MMBtu Ratio of NYMEX CL and NG



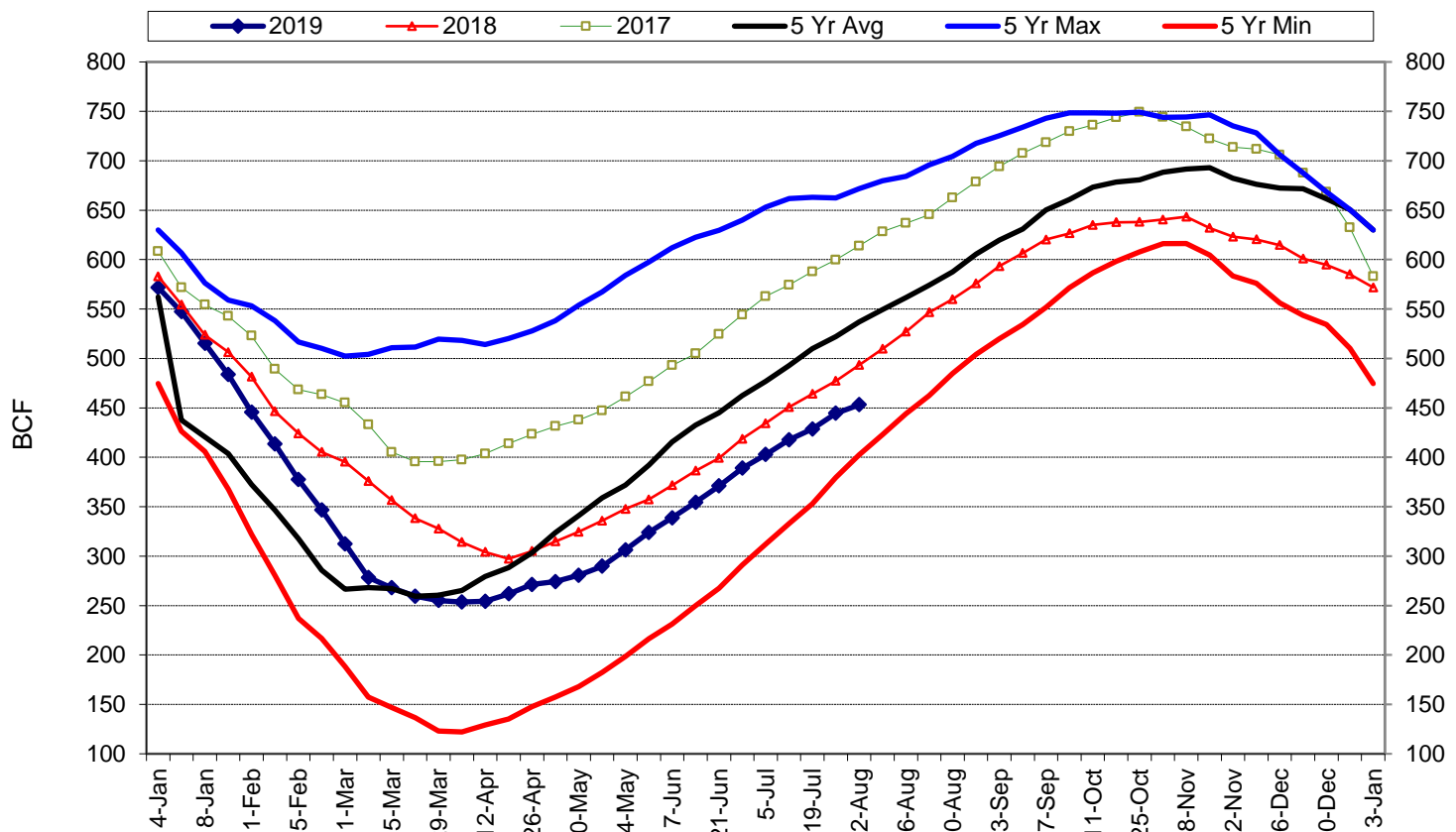
NYMEX Calendar Strips



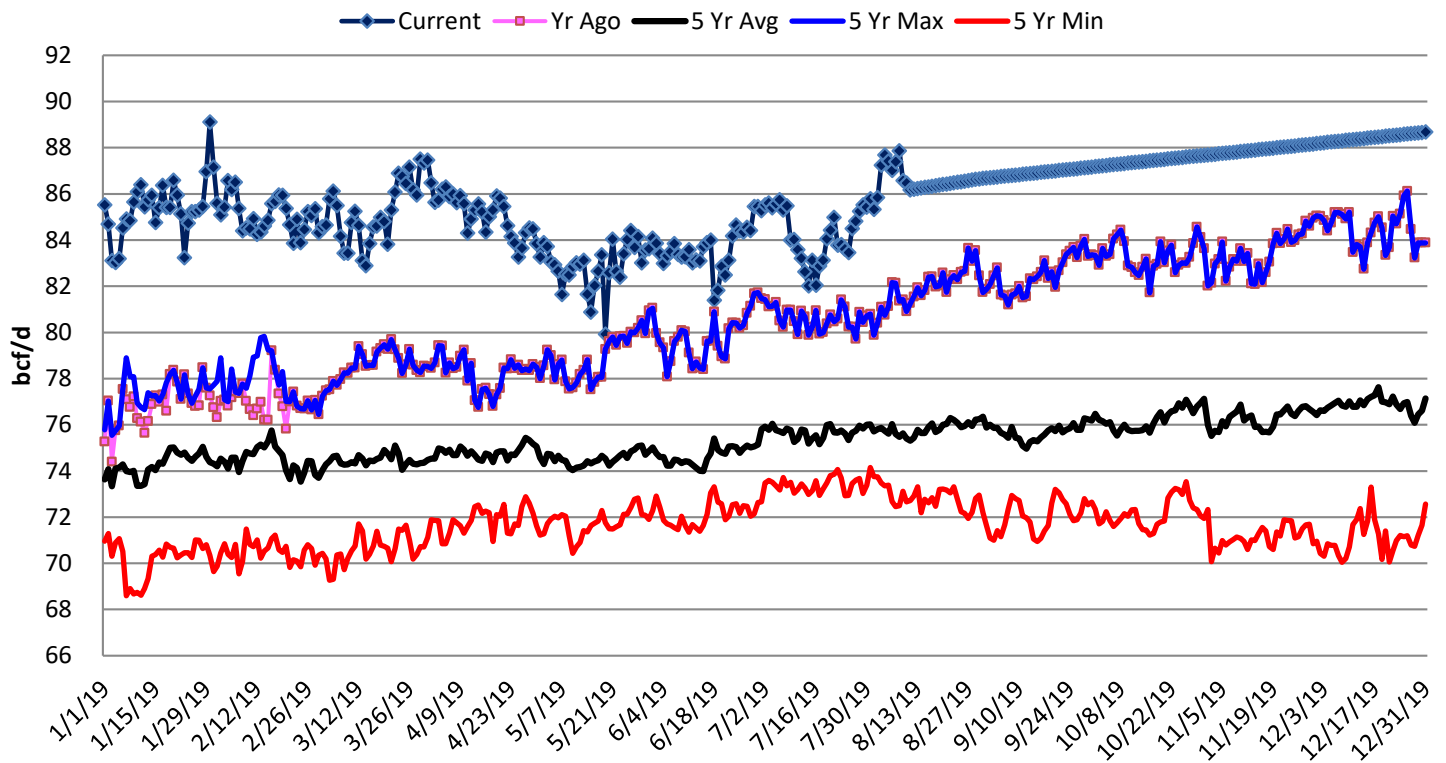
US Total Working Gas Storage - Source - EIA



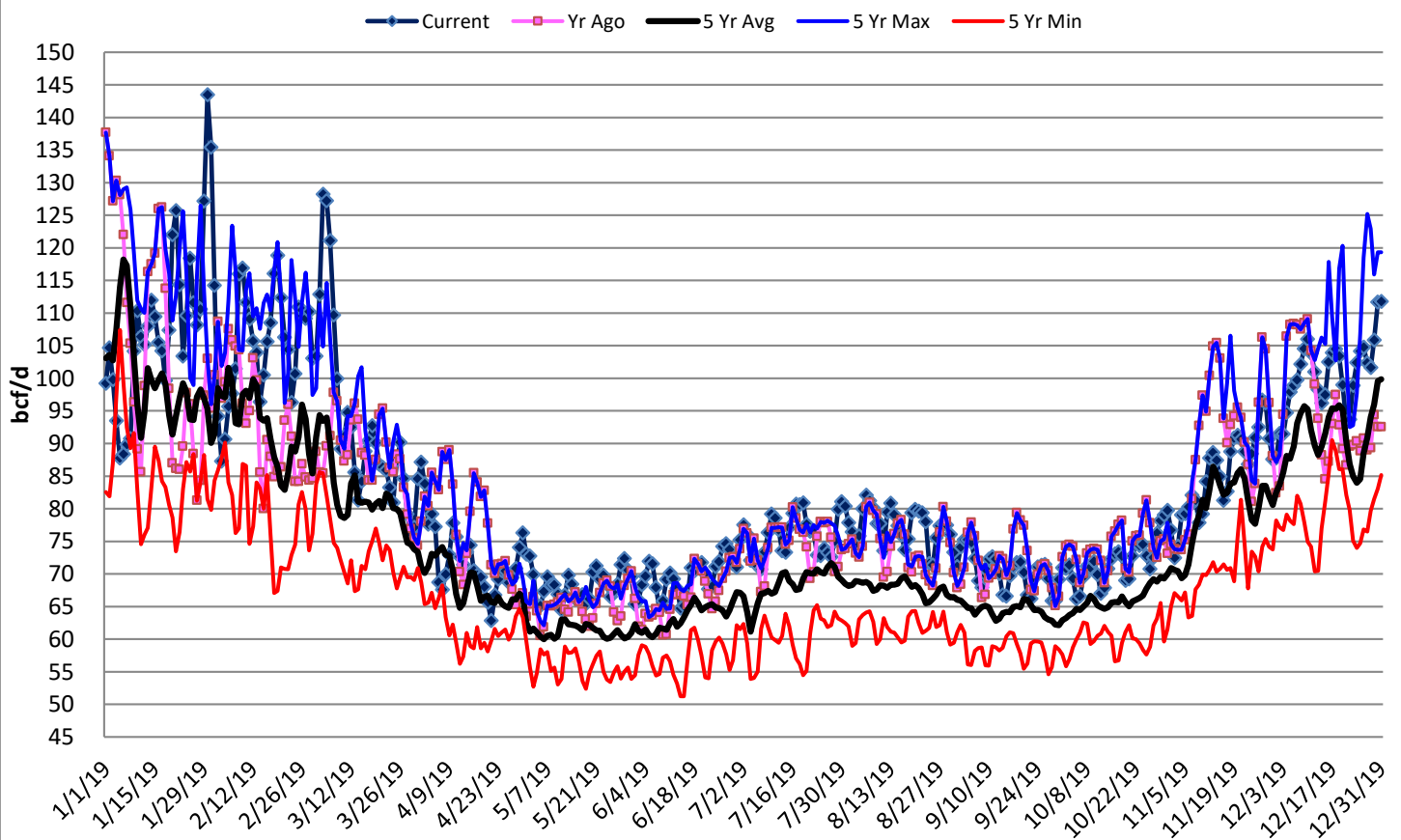
Canadian Working Gas Storage - Enerdata



US Total Supply



US Total Demand



ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

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