
MONTHLY ENERGY OUTLOOK

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| <p>The fourth quarter gas price outlook has improved considerably over the last month. As a result of a hot last four weeks, the gas storage surplus should begin the quarter with gas storage at 60 Bcf lower than year-ago levels and fuel oil prices are providing a much higher "price umbrella".</p> | |
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| <p>The Saudis and neighboring OPEC moderates edged up production in July and August and we expect more to come. The most important outcome from OPEC's Sept-11 meeting was not the nominal quota increase but the confirmation that the Saudis believe the current price needs to come down.</p> | |
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