

**Early Morning Update**

The Nov '21 natural gas contract is trading down \$0.15 at \$5.75. The Dec '21 crude oil contract is up \$0.34 at \$84.10.

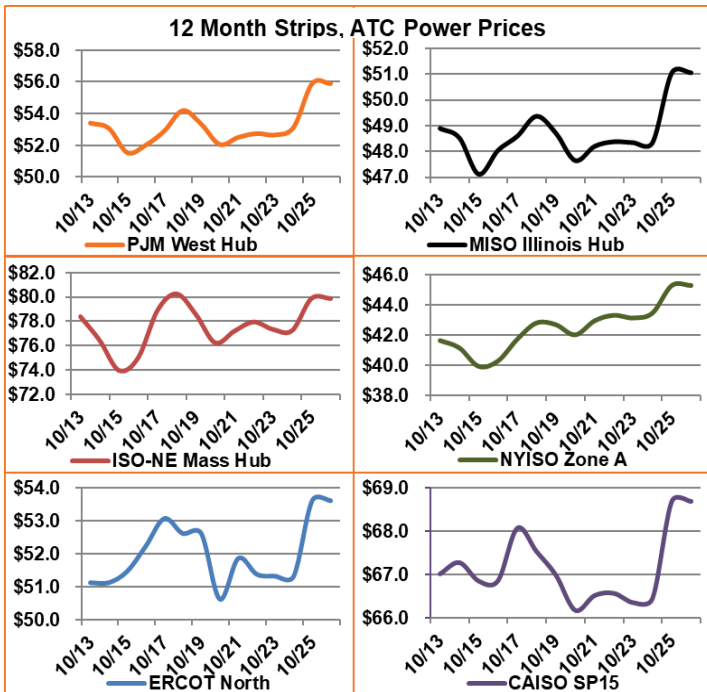
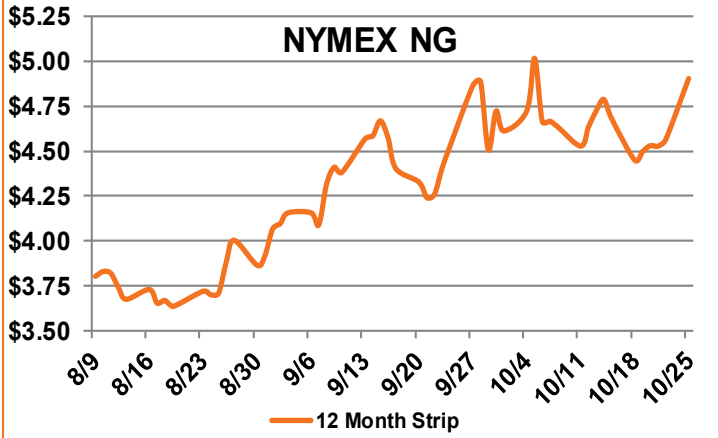
**Summary:** As October is starting to near its end, weather forecasts have begun to show real possibility that cold is settling in for the Midcontinent through the Northeast. Because temperatures are beginning to decline, storage withdrawal season will not be that far behind. End-of-season projection is calling for just over 3.65 Tcf of natural gas to be placed in storage, but concerns about the global supply still plague the market as winter strip pricing continues to fluctuate greatly. Despite some of the wild movements the market has seen, yesterday had one of the largest daily movements ever seen for the prompt month as the market settled \$0.618/MMBtu above its opening level. This pushed the prompt month price to just a dime shy of the \$6 mark. Once again, nearly all fundamentals have not swung in any drastic fashion to indicate such a change. It would appear that the market is being more cognizant of the upcoming cold, in sharp contrast to how October is coming in as one of the warmest Octobers on record for the continental United States.

**Bullish Factors**

- Struggling natural gas production
- Extremely high global gas markets
- High exports to Mexico

**Bearish Factors**

- Mild shoulder season temps
- Year-to-date power burn below 2020
- Flat industrial demand



**Next Day On-Peak Power (traded for 10/26/2021)**

ISO-NE Mass Hub \$69.25	MISO Indiana Hub \$66.53	NYISO Zone G \$64.14
PJM West Hub \$70.03	ERCOT North \$47.32	CAISO SP15 \$57.00
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Nov-21	5.898	0.618
Dec-21	6.056	0.595
12-Month	4.904	0.342
Cal 22	4.629	0.268
Cal 23	3.653	0.087

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	3,461	3,369	3,919	3,612
<b>Diff v. Current</b>		92	-458	-151
<b>% Diff</b>			-11.7%	-4.2%

