

Early Morning Update:

The Nov18 natural gas contract is up \$.03 at \$3.01. The Nov18 crude contract is up \$0.36 at \$71.93.

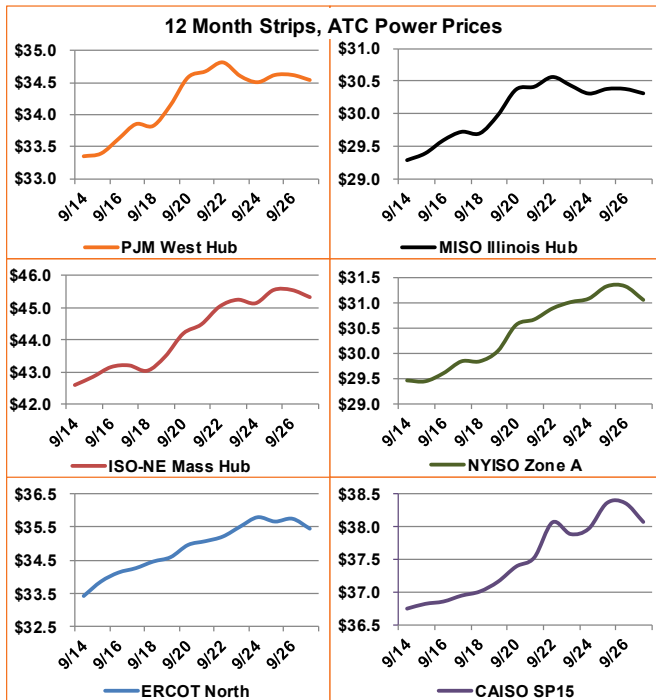
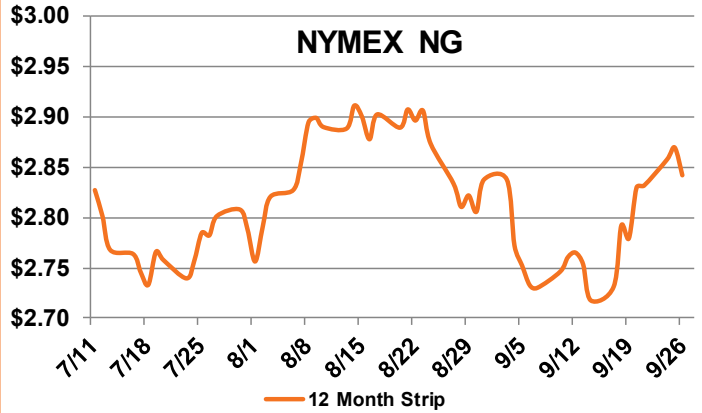
Summary: The Oct'18 prompt month contract finished trading on Wednesday down six cents to settle at \$3.021. Near-term NYMEX prices have been on an upward trend since mid-September following one of the top 5 warmest summers on record (nationally-population weighted) which increased demand for gas from the power sector. The Nov'18 contract rolled to prompt this morning opening trading just under \$3 at \$2.971. Traders are viewing largely unchanged fundamentals to determine direction as the winter approaches. Gas production continues to set new records, led by output from the North East shale fields, though gas storage hasn't seen marked improvement with storage levels standing near the lowest levels that we've seen in almost 10 years. With the gas storage situation seemingly fragile, weather forecasts and the potential for early heating demand could drive volatility as we work our way through the fall season. The market is expecting an injection of 57Bcf when the EIA releases the storage report later this morning which is well below the 5 year average injection for this time of year of 81Bcf.

Bullish Factors

- High power burns
- LNG exports ramping up
- Lowest EOS storage level in decade

Bearish Factors

- Record NG production
- Growing renewable energy generation
- Higher associated gas production



Next Day On-Peak Power (traded for 9/27/2018)

ISO-NE Mass Hub \$36.30	MISO Indiana Hub \$35.32	NYISO Zone G \$32.59
PJM West Hub \$30.92	ERCOT North \$25.81	CAISO SP15 \$42.81
NYMEX NG		
	Close	Change
Oct-18	3.021	-0.061
Nov-18	2.980	-0.078
12 Month	2.842	-0.028
Cal 19	2.772	-0.009
Cal 20	2.638	0.005

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,722	2,636	3,298	3,232
Diff v. Current		86	-576	-510
% Diff			-17.5%	-15.8%

