

**Early Morning Update:**

The Nov18 natural gas contract is trading up \$0.02 at \$3.11. The Nov18 crude contract is up \$0.10 at \$75.40.

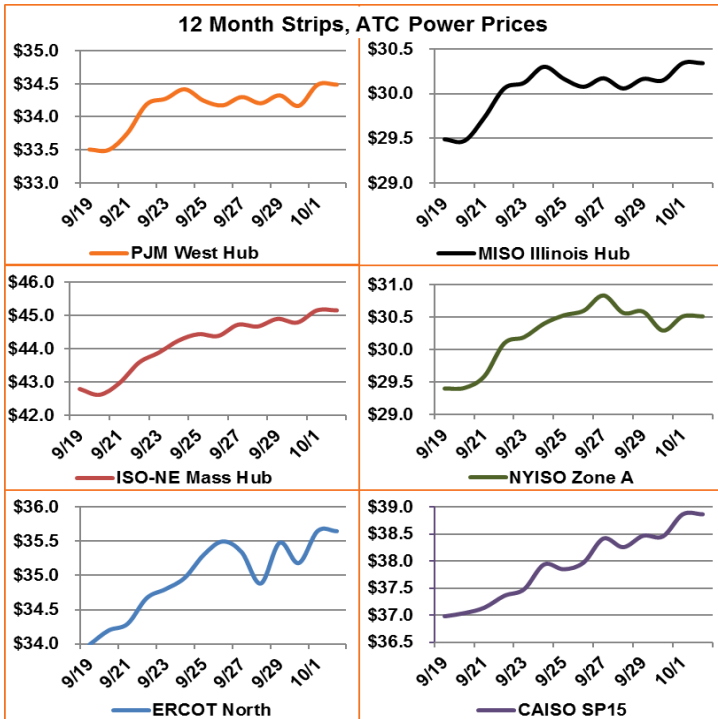
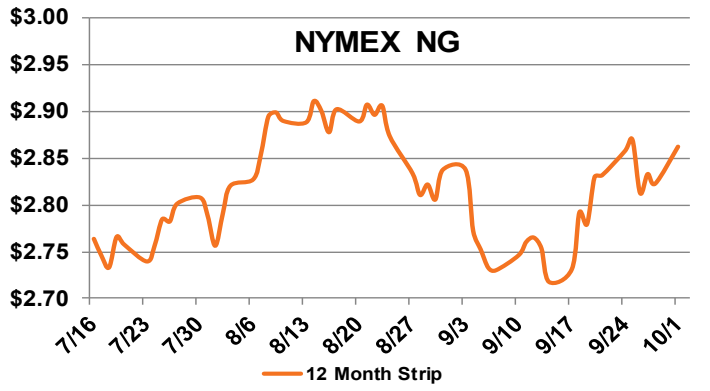
**Summary:** The natural gas market continued its climb on Monday amid generator outages and higher short-term power burn. The November prompt month rose over eight cents to \$3.094/MMBtu, the 12-month strip gained four cents to \$2.892, 2019 added nearly three cents to \$2.806, and 2020 lost less than a penny to \$2.638. Unseasonably warm temperatures are expected across most of the country for the next five days, with some cooler temperatures moving in to the West to balance things out in the 6-10 day outlook. This immediate, lingering cooling demand coincides with the fall nuclear maintenance schedule that tends to peak in late September/early October. Additional reliance on natural gas generation is likely fueling the market to highs not seen in some time. Production, while still strong, has diminished slightly since last week, likely due to additional pipeline maintenance in the Northeast.

**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 10/2/2018)**

<b>ISO-NE Mass Hub</b> \$48.70	<b>MISO Indiana Hub</b> \$44.00	<b>NYISO Zone G</b> \$39.30
<b>PJM West Hub</b> \$43.25	<b>ERCOT North</b> \$31.67	<b>CAISO SP15</b> \$40.76
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Nov-18	3.094	0.086
Dec-18	3.172	0.081
12 Month	2.862	0.040
Cal 19	2.806	0.027
Cal 20	2.638	-0.006

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	2,768	2,722	3,458	3,389
<b>Diff v. Current</b>		46	-690	-621
<b>% Diff</b>			-20.0%	-18.3%

