

Early Morning Update:

The Nov18 natural gas contract is trading up \$0.03 at \$3.19. The Nov18 crude contract is up \$0.20 at \$74.53.

Summary: A large injection into storage was reported by the EIA yesterday, taking some of the sting out of this recent rally. 98 Bcf was larger than estimates and caused prices to fall immediately following the report. Prompt month prices fell to as low as \$3.129 before recovering slightly to end the day down \$.065 to \$3.165. Long-term pricing saw very little movement, with Cal '20 and beyond nearly unchanged on the day.

Weather forecasts for the next 10 days show above average temps along the east coast. Demand is elevated and generator maintenance is leaving the region susceptible to higher index prices due to lower reserve margins.

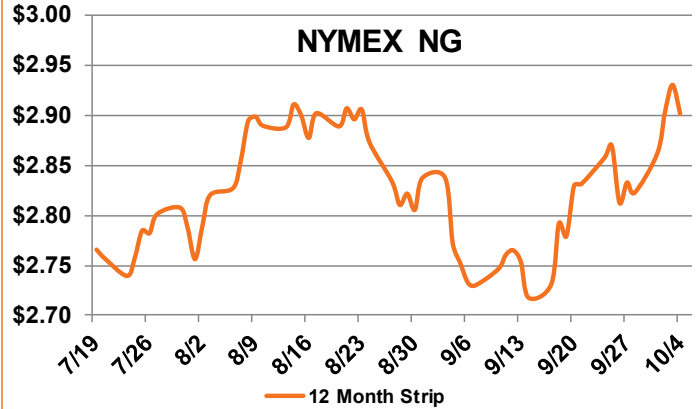
ERCOT saw a huge price spike yesterday as an unexpected capacity shortfall was experienced. ERCOT saw an entire hour clear at \$1193 and the onpk period cleared near \$200.

Bullish Factors

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

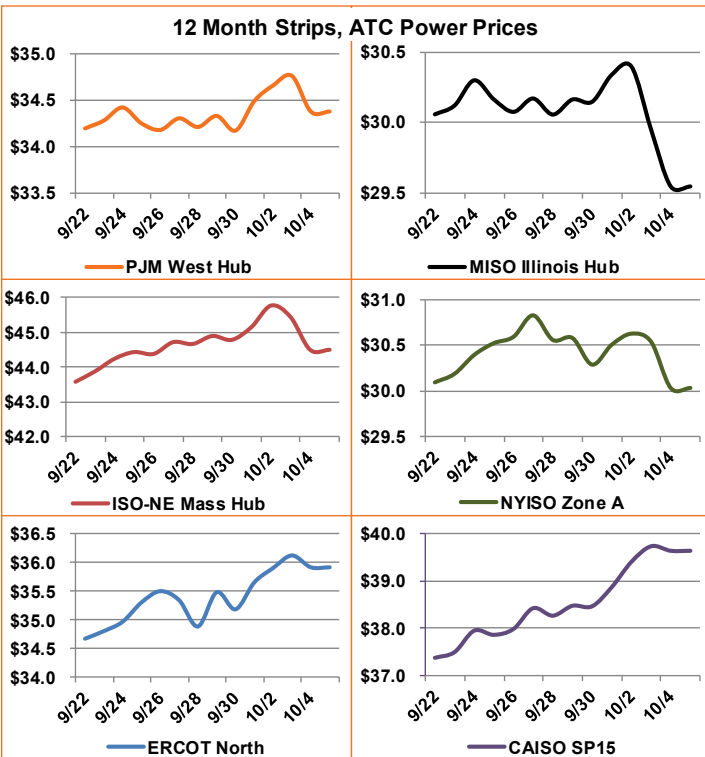
Bearish Factors

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



Next Day On-Peak Power (traded for 10/5/2018)

ISO-NE Mass Hub \$42.00	MISO Indiana Hub \$42.88	NYISO Zone G \$35.82
PJM West Hub \$32.88	ERCOT North \$35.05	CAISO SP15 \$34.52
NYMEX NG		
	Close	Change
Nov-18	3.165	-0.065
Dec-18	3.221	-0.076
12 Month	2.902	-0.029
Cal 19	2.842	-0.018
Cal 20	2.650	0.002



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,866	2,768	3,502	3,473
Diff v. Current		98	-636	-607
% Diff			-18.2%	-17.5%

