

Early Morning Update:

The Nov18 natural gas contract is trading down \$0.07 at \$3.25. The Nov18 crude contract is down \$1.00 at \$68.75.

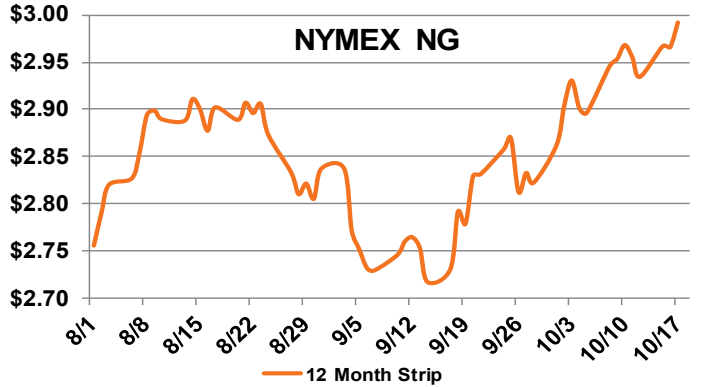
Summary: November NYMEX closed on Wednesday at \$3.320/MMBtu, about eight cents higher than Tuesday. Nuclear outages, coupled with the recent Northeastern drop in production, were big drivers of yesterday's uptick. Nuclear outages reached 9.3 GW in the Southeast over the weekend, the highest seen this maintenance season. This translated to slightly higher natural gas demand, as power burn increased by more than 1.5 Bcf/d since the weekend. In addition, U.S. production fell 500 MMcf/d to 83 Bcf/d on Wednesday, driven almost exclusively by the Northeast, where there was a 400 MMcf/d drop to 30 Bcf/d. The regional decrease was caused by a 575 MMcf/d fall in Rover production in Ohio. A notice from Vector Pipeline stated that all deliveries from Rover into Vector will be zero until further notice, as volumes currently do not meet the gas-quality standards. Since natural gas storage levels remain at current 13-year lows, production will need to closely balance with demand in order to avoid price spikes. Even prior to the winter season, supply and demand movements have proved to become strong primary drivers in NYMEX price shifts.

Bullish Factors

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

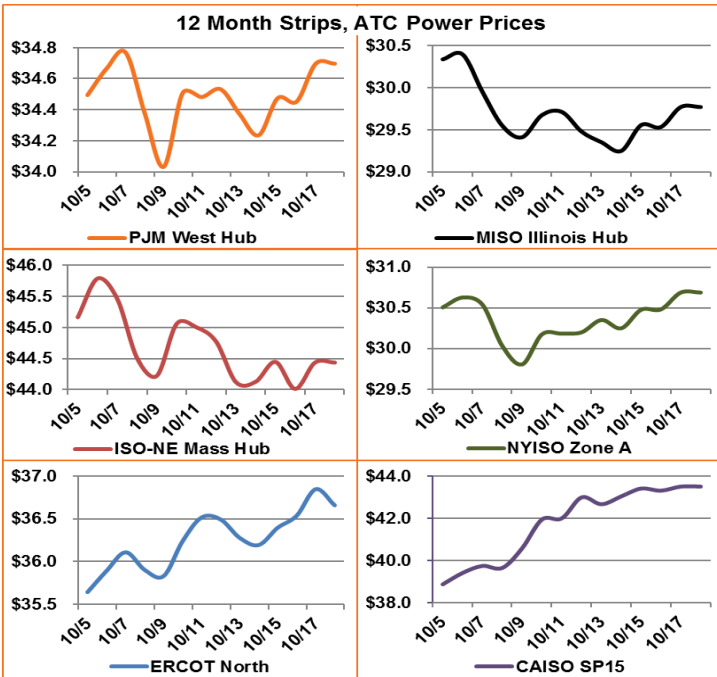
Bearish Factors

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



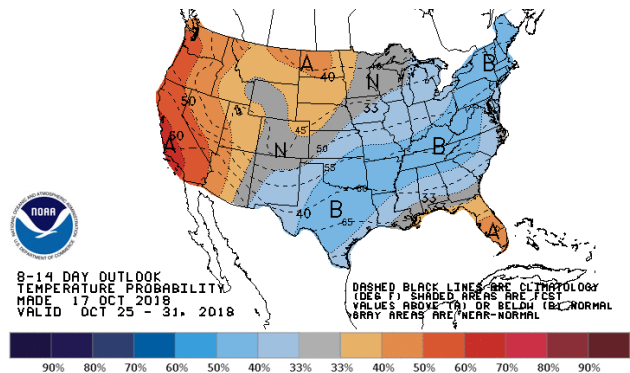
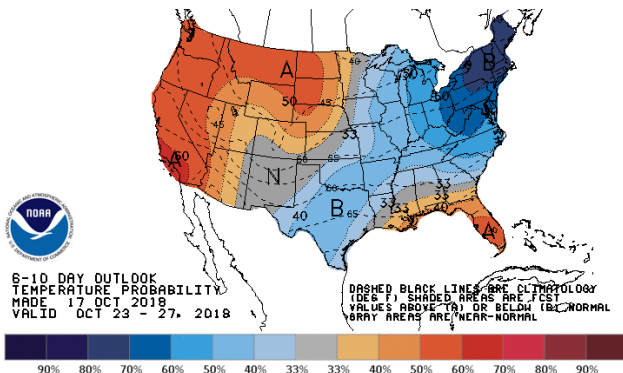
Next Day On-Peak Power (traded for 10/18/2018)

ISO-NE Mass Hub \$41.13	MISO Indiana Hub \$31.14	NYISO Zone G \$38.48
PJM West Hub \$36.05	ERCOT North \$33.63	CAISO SP15 \$45.50
NYMEX NG		
	Close	Change
Nov-18	3.320	0.081
Dec-18	3.369	0.068
12 Month	2.992	0.026
Cal 19	2.917	0.014
Cal 20	2.688	0.002



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,956	2,866	3,583	3,563
Diff v. Current		90	-627	-607
% Diff			-17.5%	-17.0%



This document is for informational purposes only. All the information provided is "as is" and is not intended for trading purposes or advice. Direct Energy makes no representations or warranties, express or implied, as to the quality, accuracy, completeness, or reliability of the information provided in this newsletter. Further, Direct Energy is not liable for any informational errors or incompleteness or for any actions taken in reliance on information contained herein. Direct Energy® and the Energy Bolt design are registered trademarks of Direct Energy Marketing Limited.