

Early Morning Update:

The Nov18 natural gas contract is trading down \$0.05 at \$3.15. The Dec18 crude contract is down \$0.65 at \$66.68.

Summary: Another choppy day for the NYMEX prompt month as prices traded in a range of \$3.15 to \$3.23 before ultimately finishing up \$.036 to close at \$3.202. The market traded higher all morning, then slipped a bit as the EIA reported a larger-than-expected build into storage of 58 Bcf. The build was actually 63 Bcf but 5 Bcf was reclassified and the net result was a build of 58. Weather forecasts along the east coast are transitioning from below-normal to normal as we are finally expecting some 'average' temps.

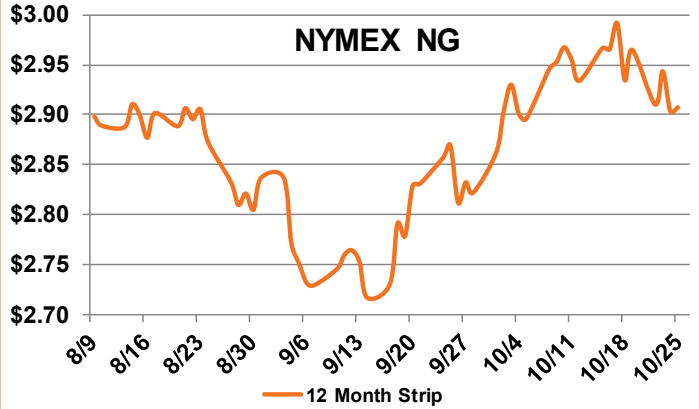
On the power side, prices in the northeast have stabilized, at least for the time being. Lower crude pricing and 'not brutally cold' winter weather forecasts have stalled pricing in those markets.

Bullish Factors

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

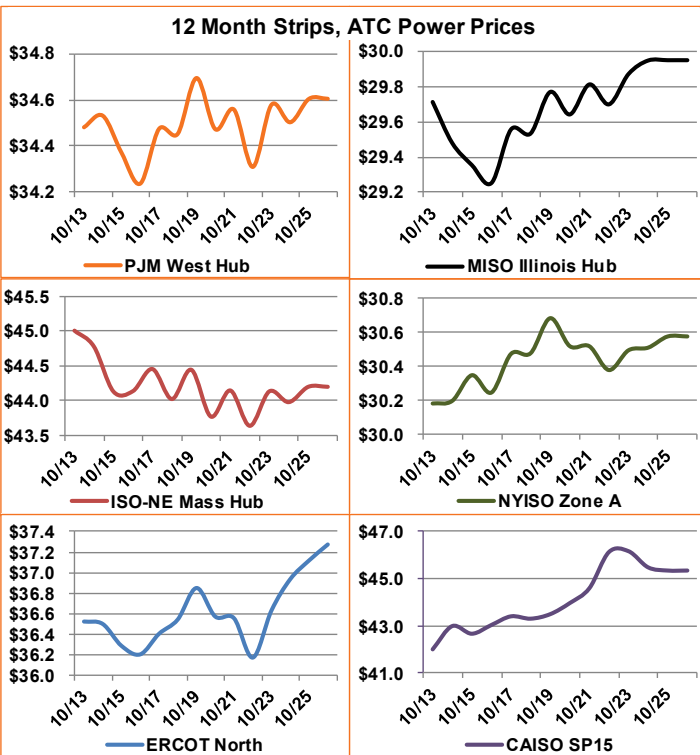
Bearish Factors

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



Next Day On-Peak Power (traded for 10/26/2018)

ISO-NE Mass Hub \$42.43	MISO Indiana Hub \$40.21	NYISO Zone G \$42.75
PJM West Hub \$40.33	ERCOT North \$34.26	CAISO SP15 \$47.18
NYMEX NG		
Nov-18	Close 3.202	Change 0.036
Dec-18	3.256	0.029
12 Month	2.908	0.004
Cal 19	2.845	-0.003
Cal 20	2.667	-0.010



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,095	3,037	3,701	3,719
Diff v. Current		58	-606	-624
% Diff			-16.4%	-16.8%

