

**Early Morning Update**

The Nov19 natural gas contract is trading up \$0.01 at \$2.29. The Nov19 crude oil contract is up \$0.03 at \$53.65.

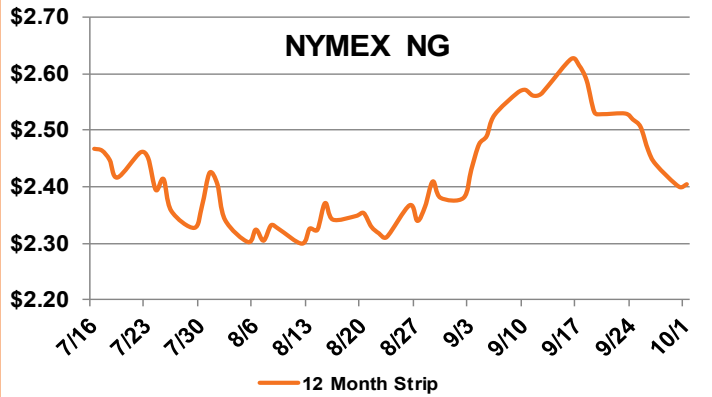
**Summary:** The NYMEX prompt month contract continued to slide yesterday, settling 4.7 cents lower than Monday's close at \$2.283/MMBtu. The Nov19 contract has traded lower in the last ten consecutive trading sessions, giving back a total of 44 cents since September 16. Calendar strips 2023-2025 also traded lower yesterday, and 2025 hit a new all-time low at \$2.687/MMBtu. Conversely, the 12-month strip and calendar strips 2020-2022 traded ~1 cent higher yesterday and are priced between \$2.41-\$2.51. Despite October technically being a "shoulder month" with lower demand, the hourly PJM West Hub real-time electric price hit \$746.59/MWh between 2pm and 3pm EDT, the most expensive hourly settlement so far this year. Extreme pricing lasted from 2pm to 6pm due to heat and humidity in the region, which caused load to actualize ~8% above the PJM day-ahead forecast. Demand is expected to wane over the next few weeks with temperatures moderating. In regulatory news, on Monday, President Trump nominated James Danly, to fill one of the two open seats on the FERC. If confirmed, he could help to secure a quorum on FERC proceedings from which another commissioner was recused, which includes the delayed PJM capacity proceeding.

**Bullish Factors**

- Growing LNG exports
- Record demand levels
- Lingering warm weather

**Bearish Factors**

- Record NG production
- Higher associated gas production
- Healthy storage levels



**Next Day On-Peak Power (traded for 10/2/2019)**

<b>ISO-NE Mass Hub</b> \$27.23	<b>MISO Indiana Hub</b> \$48.75	<b>NYISO Zone G</b> \$31.39
<b>PJM West Hub</b> \$57.17	<b>ERCOT North</b> \$150.00	<b>CAISO SP15</b> \$33.86
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Nov-19	2.283	-0.047
Dec-19	2.480	-0.024
12 Month	2.404	0.004
Cal 20	2.430	0.015
Cal 21	2.457	0.010

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	3,205	3,103	2,761	3,252
<b>Diff v. Current</b>		102	444	-47
<b>% Diff</b>			16.1%	-1.4%

