

Early Morning Update

The Nov19 natural gas contract is trading flat to yesterday's close at \$2.30. The Nov19 crude oil contract is down \$0.65 at \$52.10.

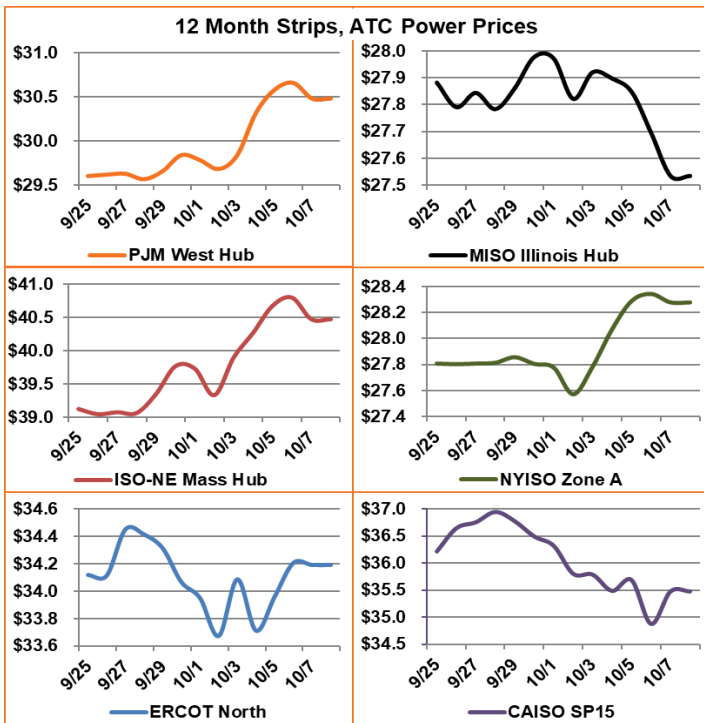
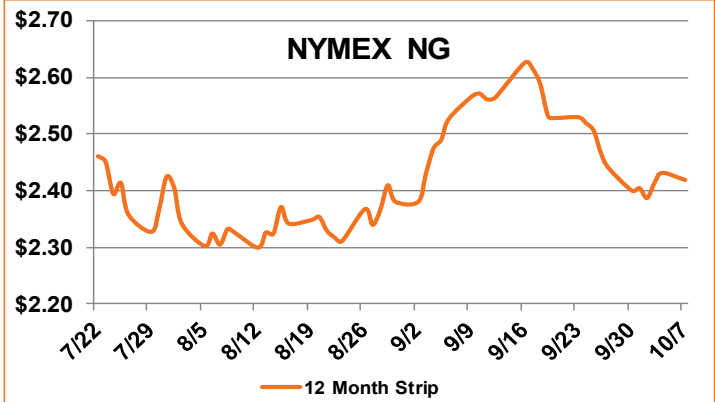
Summary: The natural gas market appears to be looking for some direction, as Henry Hub prices fell, yet again, during yesterday's trading activity. After gaining about seven cents last week, the prompt month contract lost five cents from Friday's close and settled at \$2.303/MMBtu. We're now near the pre-Sept rally levels, which peaked at \$2.72 on September 16th. Strong production and mild temperatures continue to be the main factors driving the downward pressure on prices. However, this trend could reverse once again, as the low pricing environment is presenting a pre-winter buying opportunity. The Dec-Feb strip is currently trading around \$2.55, only 10 cents above the low for the strip that was established in mid-August. This strip traded as high as \$3.20 back in March.

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 10/8/2019)

ISO-NE Mass Hub \$22.59	MISO Indiana Hub \$25.00	NYISO Zone G \$19.82
PJM West Hub \$24.31	ERCOT North \$21.22	CAISO SP15 \$39.27
NYMEX NG	Close	Change
Nov-19	2.303	-0.049
Dec-19	2.500	-0.024
12 Month	2.418	-0.013
Cal 20	2.443	-0.007
Cal 21	2.457	-0.002

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,317	3,205	2,852	3,335
Diff v. Current		112	465	-18
% Diff			16.3%	-0.5%

