

Early Morning Update

The Nov19 natural gas contract is flat at \$2.21. The Nov19 crude oil contract is up \$0.62 at \$54.17.

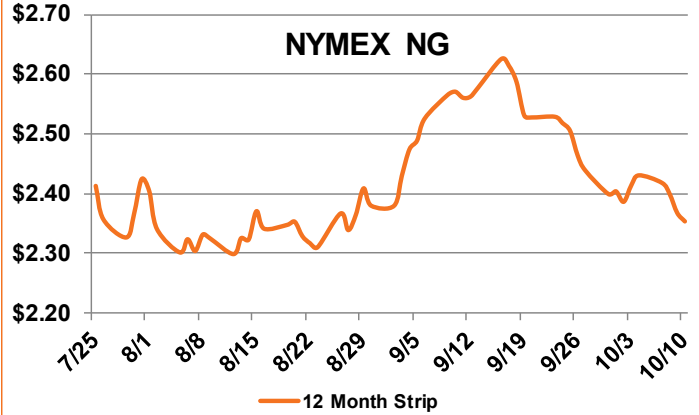
Summary: Another small slide in pricing as the NYMEX prompt contract fell \$.016 to close at \$2.218. The EIA released another bearish storage report of 98 Bcf, leaving NG stocks at 3.415 Tcf and within striking distance of a surplus to the 5-year average. As gas prices tick lower, power prices in many markets are also moving down. Notably, Nepoch Cal '20 has moved down over \$1 in just the past few days. Weather forecasts continue to show average to above-average temperatures for much of the east coast for the balance of October, and the lack of cold temps is helping keep index pricing low and delaying a start to heating season. But when we get to heating season, the country will be in better shape than last year as NG storage levels will be much higher. Also, Direct Energy will be hosting a webinar to review our winter weather forecast on Tuesday, October 15, 2019. Reach out to your Direct Energy representative for more details.

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 10/11/2019)

ISO-NE Mass Hub \$24.75	MISO Indiana Hub \$29.34	NYISO Zone G \$20.17
PJM West Hub \$23.51	ERCOT North \$16.88	CAISO SP15 \$31.20
NYMEX NG	Close	Change
Nov-19	2.218	-0.016
Dec-19	2.417	-0.019
12 Month	2.353	-0.014
Cal 20	2.384	-0.013
Cal 21	2.418	-0.008

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,415	3,317	2,943	3,424
Diff v. Current		98	472	-9
% Diff			16.0%	-0.3%

