

**Early Morning Update**

The Nov19 natural gas contract is trading up \$0.09 at \$2.30. The Nov19 crude oil contract is down \$1.15 at \$53.55.

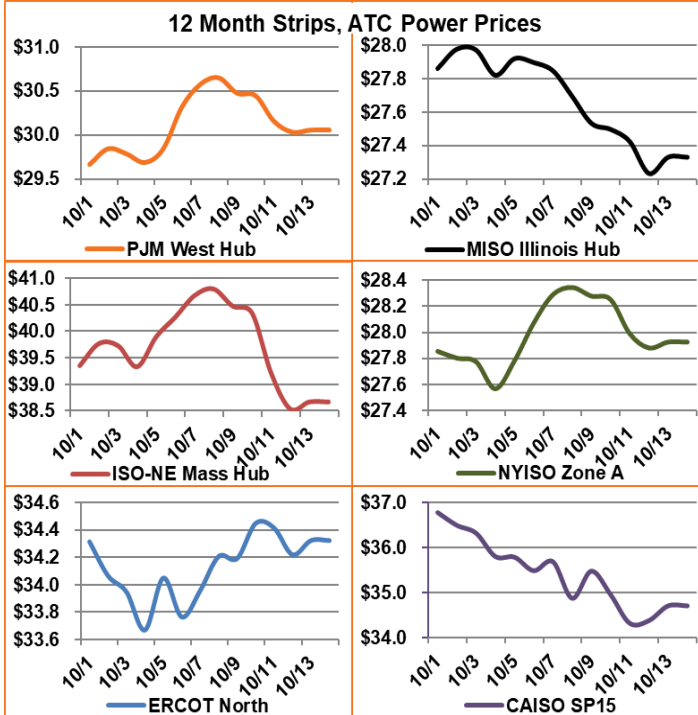
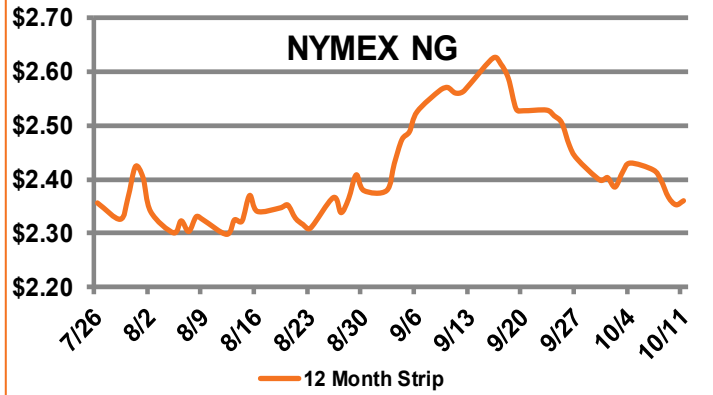
**Summary:** On Friday, the November 2019 NYMEX natural gas futures price continued to search for direction, falling just 0.4 cent on the day to settle at \$2.214/MMBtu. Even though the focus has switched to winter, the market seems to be waiting for direction, as production remains at record high levels and demand dwindles due to mild temperatures for this shoulder season. Direct Energy's preliminary winter forecast will be released tomorrow. Through the end of October, weather forecasts continue to show the majority of the cooler-than-normal temperatures contained to the West, while the major demand centers for the U.S., Texas and the Northeast, remain relatively moderate, with some periods of warmer-than-normal temperatures. If these forecasts continue into November, this should hold off any early start to heating demand. Currently, the end of this season's storage levels are expected to be around 3.82 Tcf, which would be the fourth largest inventory level on record. U.S. dry production is averaging just under 91.0 Bcf/d so far this month, with some increases expected over the next week.

**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 10/14/2019)**

<b>ISO-NE Mass Hub</b> \$23.20	<b>MISO Indiana Hub</b> \$28.10	<b>NYISO Zone G</b> \$22.84
<b>PJM West Hub</b> \$24.89	<b>ERCOT North</b> \$25.92	<b>CAISO SP15</b> \$38.13
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Nov-19	2.214	-0.004
Dec-19	2.457	0.040
12 Month	2.361	0.007
Cal 20	2.387	0.004
Cal 21	2.418	0.000

**EIA Natural Gas Storage**

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

