

Early Morning Update

The Nov19 natural gas contract is trading up \$0.02 at \$2.30. The Nov19 crude oil contract is down \$0.19 at \$53.40.

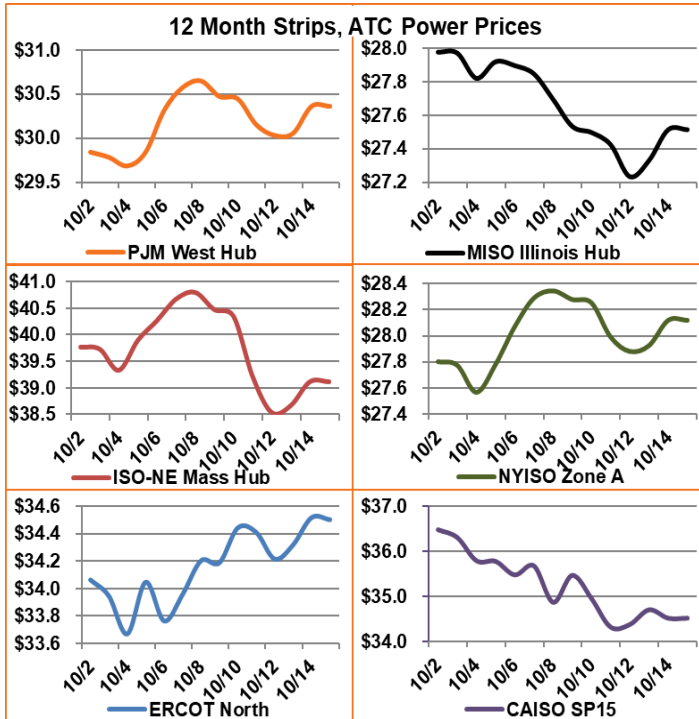
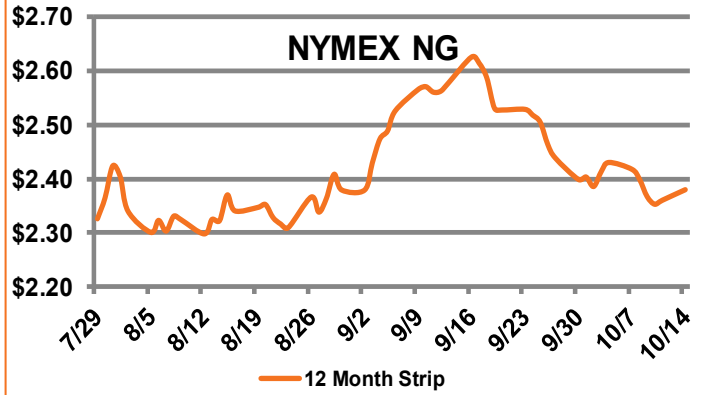
Summary: Pre-winter fear seems to be setting the tone in the natural gas market, as the monthly contracts within the Nov19-Mar20 strip all strengthened from Friday's close. The prompt month settled up 6.6 cents at \$2.28/MMBtu, while December gained 10 cents day-over-day, posting the biggest gain of the monthly contracts within the strip. Colder weather in parts of the country fed the bullishness, with total U.S. demand up 1.6 Bcf/d from the previous day, averaging 68.9 Bcf/d on Monday, and is projected to continue to grow to 82.1 Bcf/d by Thursday. While gas demand has been slightly higher with cooling temperatures, yesterday's run-up still faces downward pressure from 91 Bcf/d worth of production and very healthy storage levels. This week's storage report is expected to be, yet again, in the triple digits, and should completely erase the deficit to the five-year average. With large storage builds on tap for the next few weeks, end-of-season estimates are now well above 3.8 Bcf.

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 10/15/2019)

ISO-NE Mass Hub \$22.68	MISO Indiana Hub \$26.35	NYISO Zone G \$22.36
PJM West Hub \$25.45	ERCOT North \$32.00	CAISO SP15 \$44.23
NYMEX NG	Close	Change
Nov-19	2.280	0.066
Dec-19	2.498	0.041
12 Month	2.380	0.020
Cal 20	2.399	0.011
Cal 21	2.420	0.002

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%

