

Early Morning Update

The Nov19 natural gas contract is trading up \$0.02 at \$2.36. The Nov19 crude oil contract is down \$0.01 at \$52.80.

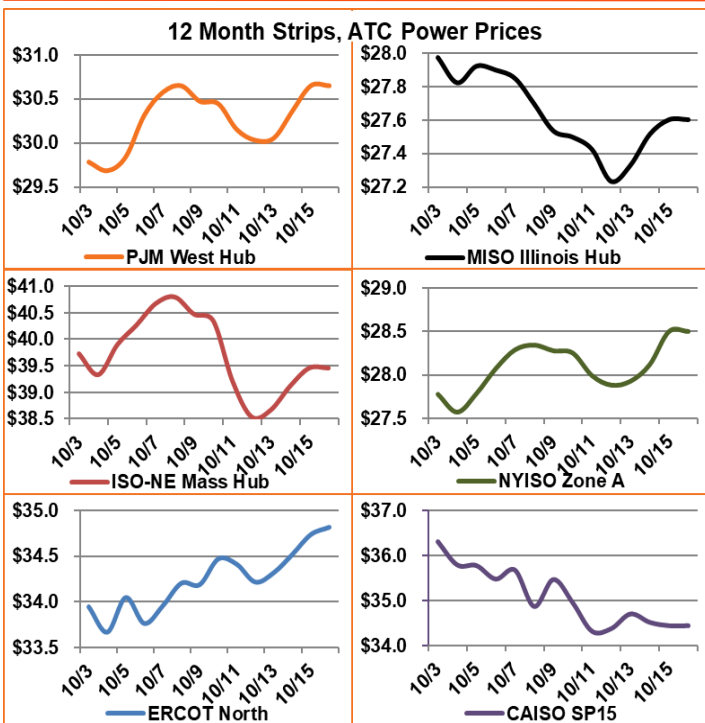
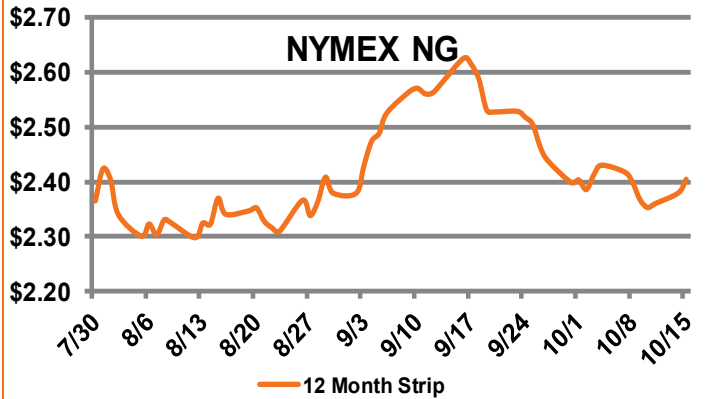
Summary: NYMEX moved up throughout the strip during yesterday's trading session, as the Nov19 contract gained just under six cents to close at \$2.339/MMBtu, and the winter strip gained 3.2 cents to close at \$2.525/MMBtu. This was the second day of upward price movement for the upcoming winter that is fast approaching and the current focus of the market. The momentum carried out beyond the near-term, as calendar strip 2020 gained two cents, 2021 gained one and a half, and 2022 added a penny. Despite the recent move up, all calendar strips out to 2023 remain within five cents of their all-time low. Natural gas production set a new record on Monday at 91.7 Bcf/d, surpassing the previous record of 91.5 Bcf/d set earlier this month. Demand is also increasing to a seven-day high due to the chilly northeast weather and rising exports. The EIA natural gas storage report is expected to show a build of 110 Bcf tomorrow, which would be significantly larger than the five year average of 81 Bcf and put us into surplus territory against the five-year average mark.

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 10/16/2019)

ISO-NE Mass Hub \$22.54	MISO Indiana Hub \$26.88	NYISO Zone G \$22.25
PJM West Hub \$25.33	ERCOT North \$20.56	CAISO SP15 \$44.18
NYMEX NG	Close	Change
Nov-19	2.339	0.059
Dec-19	2.532	0.034
12 Month	2.405	0.025
Cal 20	2.419	0.020
Cal 21	2.436	0.016

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%

