

**Early Morning Update**

The Nov19 natural gas contract is trading down \$0.01 at \$2.30. The Nov19 crude oil contract is up \$0.48 at \$53.31.

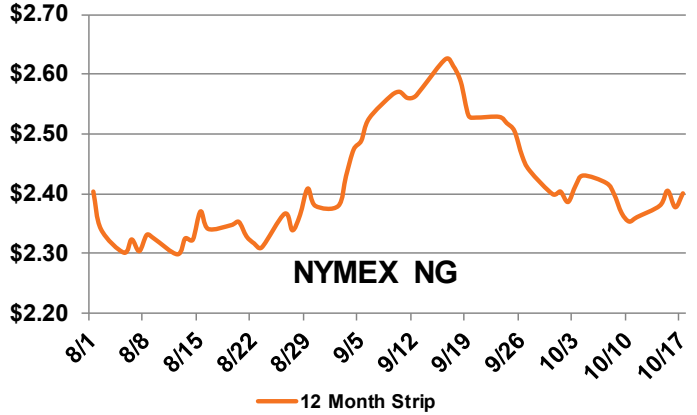
**Summary:** Yesterday ended up being a quiet day on the NYMEX as the prompt month moved up \$.015 to close the day at 2.318. The prompt month contract has been trading near \$2.30 all week with very little volatility. The big drivers that could cause volatility, like weather, storage and production, are all fairly stable and are giving the market little reason to jump around. The EIA's storage report yesterday did miss estimates on the low side by a few Bcf, but the market largely shrugged off the result and traded sideways. Most estimates had called for a build around 110 Bcf, but the market deemed the 104 Bcf injection to be close enough. Storage now stands at 3,519 Bcf, which is a 14 Bcf SURPLUS to the 5-year average. Looking ahead, forecasts call for the surplus to grow as estimates for injections for the next few weeks are all larger than the 5-year average. Strong production and falling power-burn demand (due to milder weather) are the primary reasons for the improved storage picture.

**Bullish Factors**

- Growing LNG exports
- Record demand levels
- Turning towards winter

**Bearish Factors**

- Record NG production
- Higher associated gas production
- Healthy storage levels



**Next Day On-Peak Power (traded for 10/18/2019)**

<b>ISO-NE Mass Hub</b> \$21.59	<b>MISO Indiana Hub</b> \$24.67	<b>NYISO Zone G</b> \$26.53
<b>PJM West Hub</b> \$24.99	<b>ERCOT North</b> \$15.50	<b>CAISO SP15</b> \$31.63
<b>NYMEX NG</b>		
<b>Nov-19</b>	<b>Close</b> 2.318	<b>Change</b> 0.015
<b>Dec-19</b>	<b>2.516</b>	<b>0.021</b>
<b>12 Month</b>	<b>2.401</b>	<b>0.023</b>
<b>Cal 20</b>	<b>2.419</b>	<b>0.025</b>
<b>Cal 21</b>	<b>2.435</b>	<b>0.008</b>

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	<b>3,519</b>	<b>3,415</b>	<b>3,025</b>	<b>3,505</b>
<b>Diff v. Current</b>		<b>104</b>	<b>494</b>	<b>14</b>
<b>% Diff</b>			<b>16.3%</b>	<b>0.4%</b>

