

Early Morning Update

The Nov19 natural gas contract is trading down \$0.03 at \$2.29. The Nov19 crude oil contract is down \$0.33 at \$53.45.

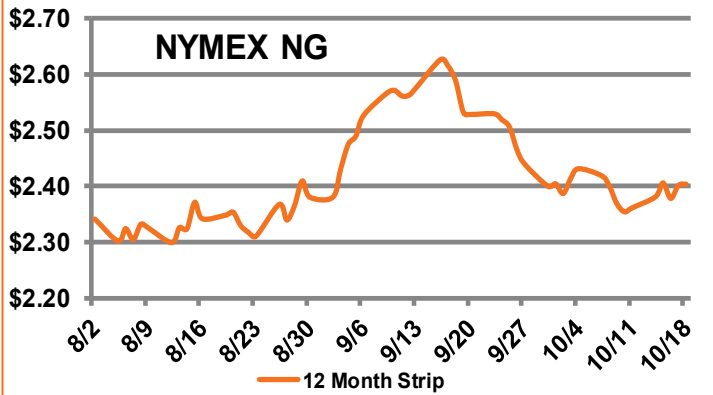
Summary: On Friday, the Nov19 NYMEX natural gas futures price remained relatively flat, moving up just 0.2 cent on the day to settle at \$2.320/MMBtu. As we head into winter, we are seeing almost a complete opposite picture in the fundamentals than what we saw last year. Record-setting injections, coupled with mild temperatures this year, have allowed inventory levels to be very healthy going into the next season. This held true last week, as the EIA reported another triple-digit injection of 104 Bcf, which has pushed inventory levels to a surplus to the five-year average for the first time in two years. U.S. dry production has averaged just over 91.0 Bcf/d over the past week, and is expected to see slight increases over the upcoming weeks. Production and LNG exports both hit record levels on Friday, 92.0 Bcf/d and 7.2 Bcf/d, respectively. Bearish weather seems to be returning to the Northeast, as forecasts have moderated over the weekend, pushing out a lot of the cold we were expecting to see toward the end of this month. There continues to be a theme that we have yet to see any significant cold along the East Coast stick around, helping keep demand levels low, and inventories high.

Bullish Factors

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

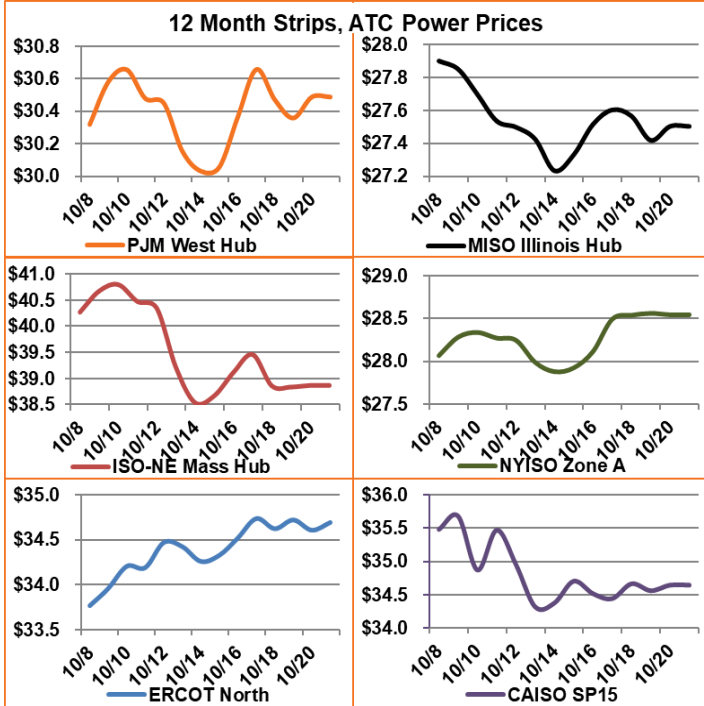
Bearish Factors

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



Next Day On-Peak Power (traded for 10/21/2019)

ISO-NE Mass Hub \$23.00	MISO Indiana Hub \$25.27	NYISO Zone G \$25.10
PJM West Hub \$27.50	ERCOT North \$28.00	CAISO SP15 \$46.43
NYMEX NG		Change
Nov-19	2.320	0.002
Dec-19	2.517	0.001
12 Month	2.403	0.002
Cal 20	2.421	0.003
Cal 21	2.436	0.001



EIA Natural Gas Storage

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

