

Early Morning Update

The Nov19 natural gas contract is trading up \$0.04 at \$2.28. The Nov19 crude oil contract is up \$0.79 at \$54.10.

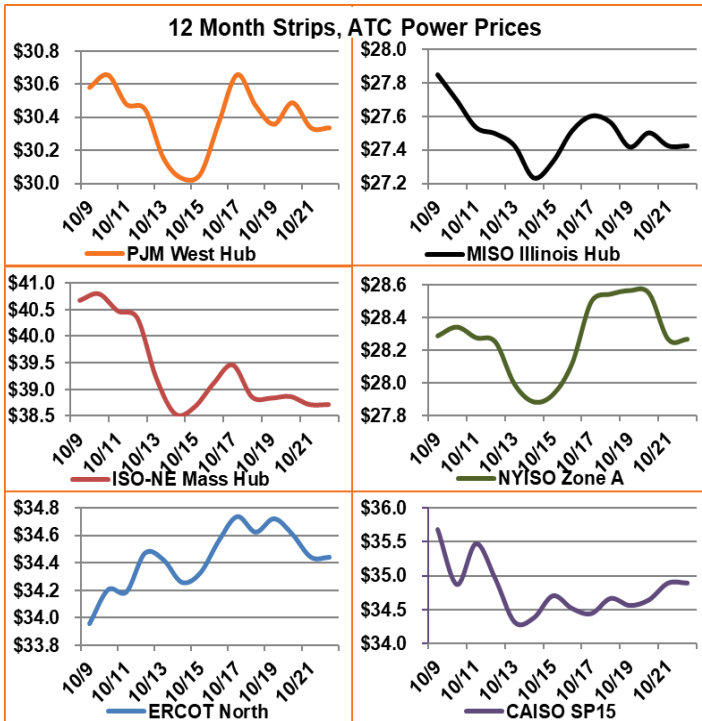
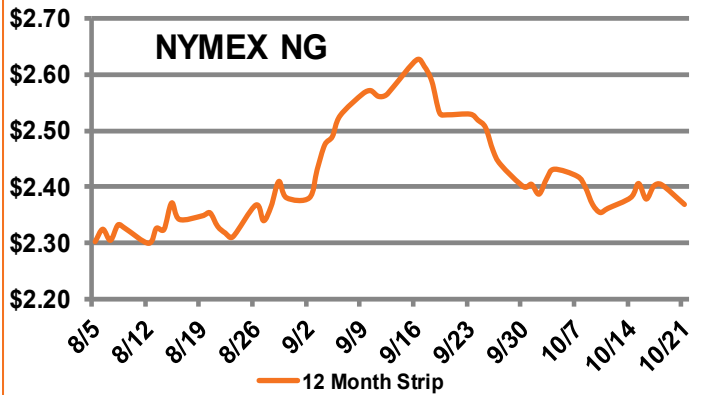
Summary: Prices for near-term NYMEX natural gas contracts continued to weaken yesterday amid record supply levels and very healthy storage. Day-over-day, the November contract slid a little over eight cents, settling at \$2.238/MMBtu. This current price is about six cents above the low set in early August. The Dec19-Feb20 winter strip fell in parallel to the prompt contract, settling near \$2.50. Comparatively, this winter strip was 30 cents more expensive in mid-September, and nearly 60 cents higher at the end of February. Looking past the upcoming winter, calendar strip pricing for 2020 and 2021 has decreased slightly day-over-day, both hovering around \$2.40. The trading range for these two strips seems to have shifted from \$2.60-\$2.80 to \$2.40-\$2.60. Mild weather on the East Coast is expected to further boost current storage levels that recently surpassed the five-year average, hindering any bullish price response over the next two weeks.

Bullish Factors

- Record LNG exports
- Growing NG exports to Mexico
- Attention on winter

Bearish Factors

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



Next Day On-Peak Power (traded for 10/22/2019)

ISO-NE Mass Hub \$24.30	MISO Indiana Hub \$25.13	NYISO Zone G \$25.60
PJM West Hub \$30.71	ERCOT North \$22.13	CAISO SP15 \$59.27
NYMEX NG		
	Close	Change
Nov-19	2.238	-0.082
Dec-19	2.441	-0.076
12 Month	2.368	-0.035
Cal 20	2.398	-0.023
Cal 21	2.431	-0.005

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%

