

Early Morning Update

The Nov19 natural gas contract is trading up \$0.03 at \$2.30. The Dec19 crude oil contract is down \$0.63 at \$53.85.

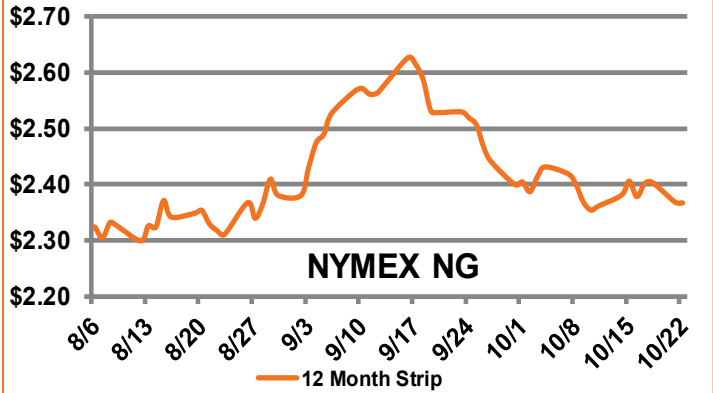
Summary: The NYMEX natural gas prompt month contract gained 3.4 cents yesterday, settling at \$2.272/MMBtu on the heels of colder weather outlooks. Heating demand for the ResComm sector has been lagging for the month of October 2019 vs. October 2018 by about 3.0 Bcf/day, but is expected to pick up over the next two weeks with the onset of colder temperatures. Power burn has remained relatively strong and is averaging 0.5 Bcf/day higher for the month of October vs. last year. Natural gas production reached a new record on Oct. 21 at 92.2 Bcf/day. Looking ahead, tomorrow's storage report by the U.S. Energy Information Administration is expected to show an injection higher than both last year and the 5-year average, which would continue building on the surplus to the 5YA. After lagging the 5YA for quite some time, the deficit reverted to a surplus just last week, and should continue to grow as we head into winter.

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 10/23/2019)

ISO-NE Mass Hub \$22.14	MISO Indiana Hub \$26.63	NYISO Zone G \$22.30
PJM West Hub \$31.37	ERCOT North \$16.28	CAISO SP15 \$51.91
NYMEX NG		
	Close	Change
Nov-19	2.272	0.034
Dec-19	2.449	0.008
12 Month	2.366	-0.002
Cal 20	2.392	-0.006
Cal 21	2.429	-0.002

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%

