

Early Morning Update

The Nov19 natural gas contract is trading up \$0.03 at \$2.31. The Dec19 crude oil contract is down \$0.17 at \$55.80.

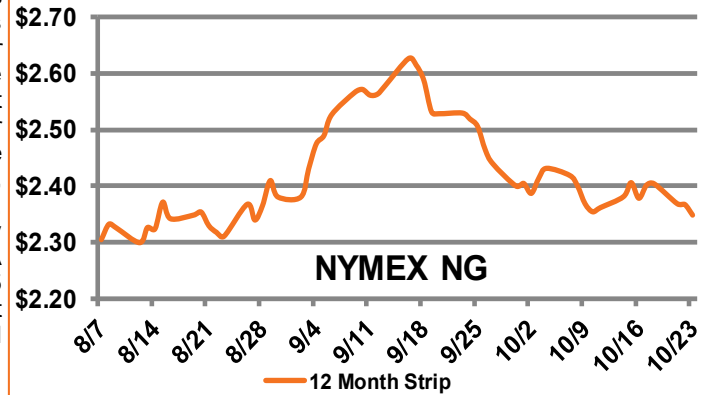
Summary: Minimal NYMEX price movement was seen on Wednesday, as the November prompt month gained only a penny, closing out the day at \$2.282/MMBtu. A similar feeling was echoed by the back of the curve, with the '21-'25 calendar strips all remaining mostly flat and losing less than a penny. Cal '20 was the exception and lost two cents yesterday. Short-term weather forecasts are still projecting above normal temperatures for the East Coast over the next 10 days, which is bearish for the market right now. With the East Coast being a high demand center for natural gas, the above-normal temperatures are tempering the need for heating demand. The slow onset of heating demand, coupled with strong storage injections and high production levels, are a perfect storm for bearish market conditions, which is exactly what we're experiencing right now. Later on this morning, the EIA will release their weekly storage report, where the surplus to the 5-year average is expected to continue to grow larger. The market is predicting an 88 Bcf injection from last week, which is 15 and 26 Bcf higher than the 5YA and last year's build, respectively.

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

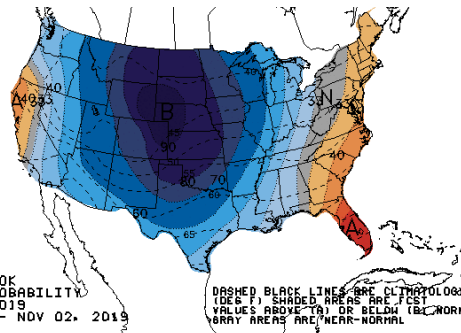
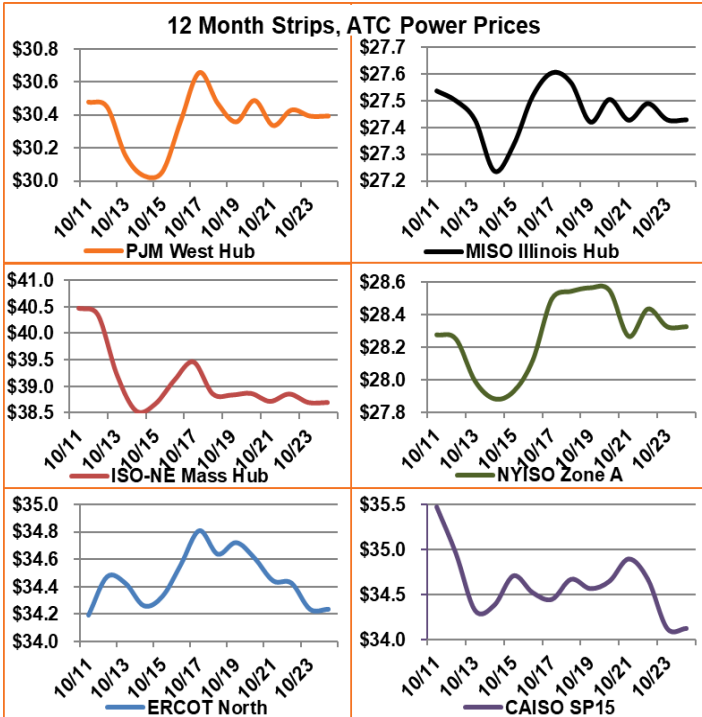


Next Day On-Peak Power (traded for 10/24/2019)

ISO-NE Mass Hub \$22.38	MISO Indiana Hub \$30.04	NYISO Zone G \$23.97
PJM West Hub \$30.00	ERCOT North \$15.37	CAISO SP15 \$45.97
NYMEX NG		
	Close	Change
Nov-19	2.282	0.010
Dec-19	2.427	-0.022
12 Month	2.348	-0.019
Cal 20	2.372	-0.020
Cal 21	2.423	-0.006

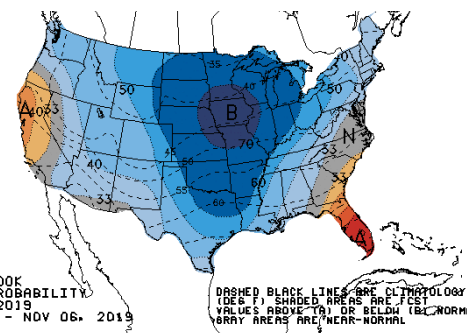
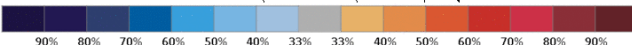
EIA Natural Gas Storage

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%



8-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 23 OCT 2019
VALID OCT 25 - NOV 02, 2019

DASHED BLACK LINES ARE CLIMATOLOGY
(DEG F). SHADED AREAS ARE 10%
VALUES ABOVE (A) OR BELOW (B) NORMAL
GRAY AREAS ARE "NEAR-NORMAL"



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 23 OCT 2019
VALID OCT 31 - NOV 06, 2019

DASHED BLACK LINES ARE CLIMATOLOGY
(DEG F). SHADED AREAS ARE 10%
VALUES ABOVE (A) OR BELOW (B) NORMAL
GRAY AREAS ARE "NEAR-NORMAL"

