

Early Morning Update

The Nov19 natural gas contract is trading down \$0.03 at \$2.28. The Dec19 crude oil contract is down \$0.15 at \$56.08.

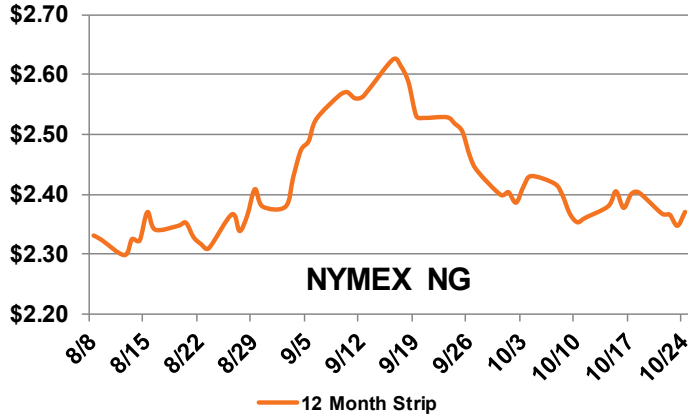
Summary: An in-line storage report nevertheless led to an increase in NYMEX NG prices as the prompt month settled higher by \$.034 to close the day at \$2.316. The build of 87 Bcf leaves us with a surplus of 28 to the 5-year average and a whopping 519 bcf to last year. Weather forecasts currently show significantly below-average temperatures in the mid-con area, leading to higher heating demand in those regions. However, critically, the northeast is not seeing colder-than-normal temperatures. The northeast has an outside impact on overall national gas demand due to the potential for extreme cold and the population density in that area. The longer that cold is delayed in the northeast, the better for storage. But the mid-con cold is having an effect on pricing there as basis and power markets move higher.

Bullish Factors

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

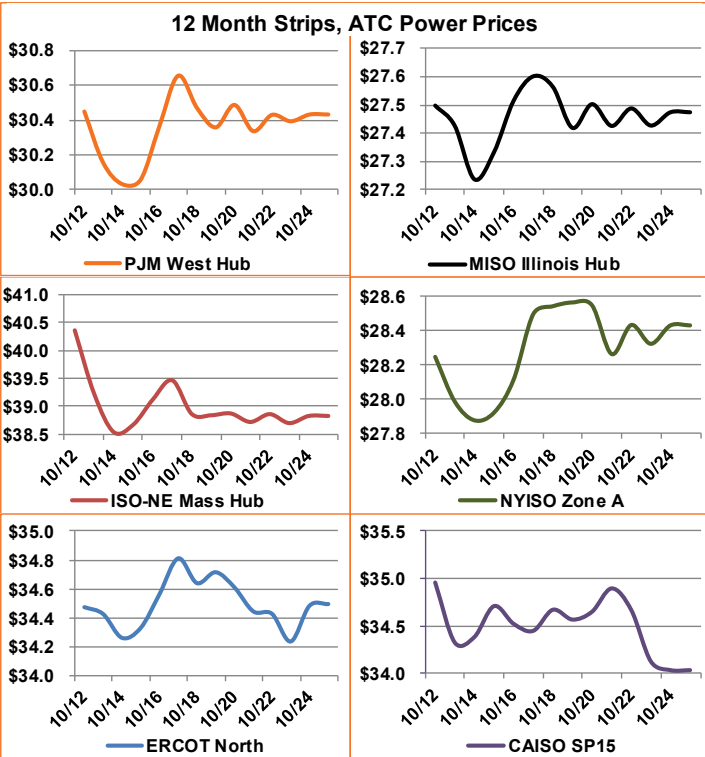
Bearish Factors

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



Next Day On-Peak Power (traded for 10/25/2019)

ISO-NE Mass Hub \$23.08	MISO Indiana Hub \$29.50	NYISO Zone G \$23.53
PJM West Hub \$29.88	ERCOT North \$20.74	CAISO SP15 \$38.20
NYMEX NG	Close	Change
Nov-19	2.316	0.034
Dec-19	2.465	0.038
12 Month	2.371	0.023
Cal 20	2.391	0.019
Cal 21	2.427	0.004



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,606	3,519	3,087	3,578
Diff v. Current		87	519	28
% Diff			16.8%	0.8%

