

**Early Morning Update**

The Nov19 natural gas contract is trading up \$0.08 at \$2.38. The Dec19 crude oil contract is up \$0.04 at \$56.70.

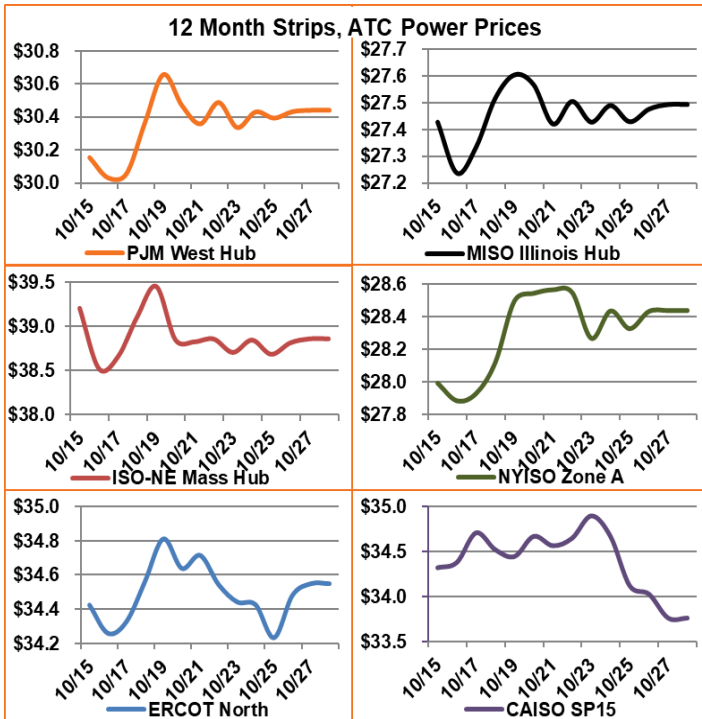
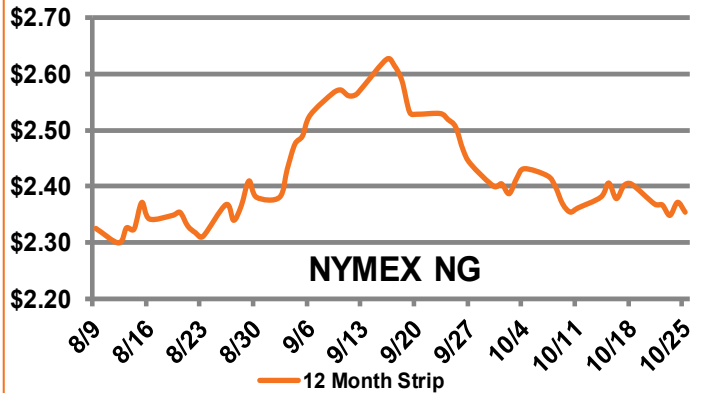
**Summary:** On Friday, the November 2019 NYMEX natural gas futures price eased a bit, falling just 1.6 cents on the day to settle at \$2.300/MMBtu. This followed a not-so-impressive storage injection of 87 Bcf, which was the lowest injection reported so far this month, but still higher than historical averages. Temperatures moderated over the weekend, leading to lower demand for natural gas. Significantly warmer-than-normal temperatures blanket the East Coast from a strong southerly flow through this Thursday. However, the other two thirds of the U.S. to the West is forecasted to see the complete opposite, with temperatures as much as 25 degrees below the 30 year normal this week. U.S. dry production is averaging just over 91.0 Bcf/d so far this month, reaching a fresh all time high of 92.6 Bcf/d on Sunday. The Northeast production continues to be the main contributor to these record highs, reaching just over 33.0 Bcf/d this weekend. Even though rig counts continue to fall and this low price environment continues, production remains at record levels.

**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 10/28/2019)**

ISO-NE Mass Hub \$23.75	MISO Indiana Hub \$31.65	NYISO Zone G \$21.98
PJM West Hub \$31.50	ERCOT North \$25.76	CAISO SP15 \$34.75

NYMEX NG	Close	Change
Nov-19	2.300	-0.016
Dec-19	2.459	-0.006
12 Month	2.353	-0.018
Cal 20	2.372	-0.018
Cal 21	2.419	-0.007

**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%

