

Early Morning Update

The Dec19 natural gas contract is trading up \$0.04 at \$2.68. The Dec19 crude oil contract is down \$0.09 at \$55.45.

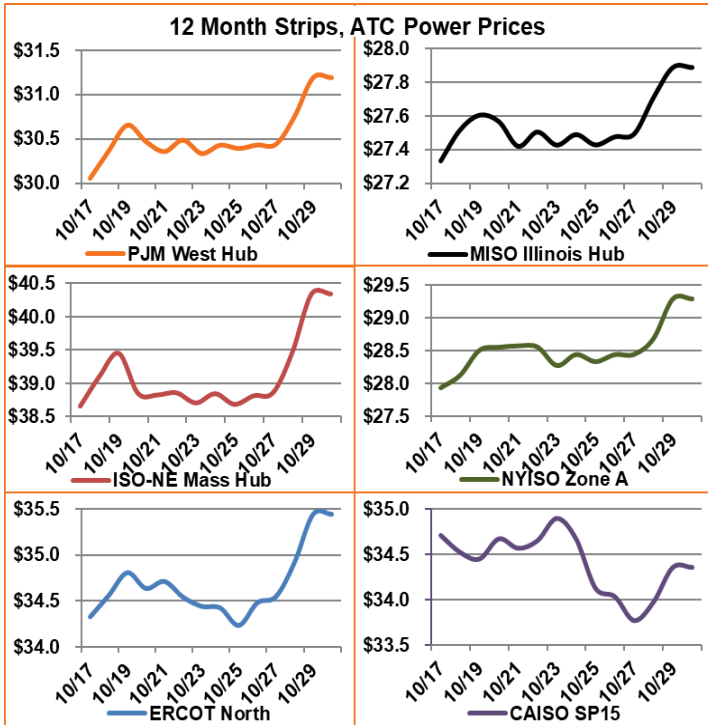
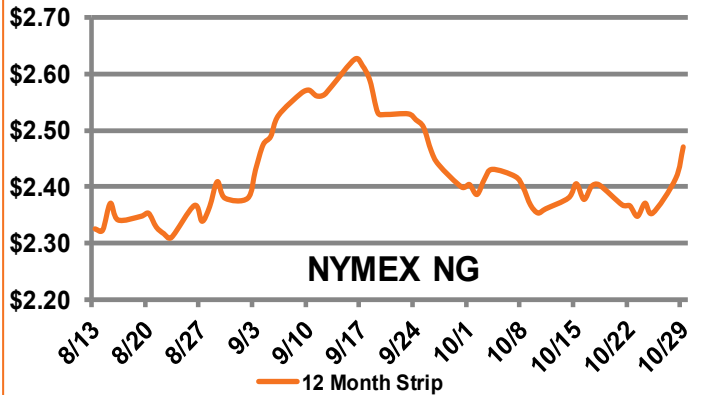
Summary: As the market and traders prepare for the first winter cold front to reach the eastern United States, the Nov19 NYMEX natural gas contract continued to soar higher yesterday, expiring at \$2.597 on its last day of trading, rising more than 15 cents in the process. The Dec19 contract, making its debut as the prompt month today, opened naturally higher at \$2.64. Despite lingering bearish production and storage fundamentals likely forming injections into November, near-term weather outlooks took a bullish turn over the weekend and sent the winter strip soaring. The entire winter strip has gained nearly 20 cents since Friday, settling at \$2.64 yesterday. Snowflakes appeared in Chicago today, and the below-average temperatures are expected to traverse eastward by the weekend. Philadelphia, expects a high of 73 degrees tomorrow, but moves to a high of only 53 on Saturday.

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 10/30/2019)

ISO-NE Mass Hub \$23.93	MISO Indiana Hub \$29.16	NYISO Zone G \$24.00
PJM West Hub \$29.03	ERCOT North \$21.20	CAISO SP15 \$35.38
NYMEX NG	Close	Change
Nov-19	2.597	0.151
Dec-19	2.639	0.084
12 Month	2.470	0.056
Cal 20	2.459	0.041
Cal 21	2.457	0.021

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%

