

Early Morning Update

The Dec19 natural gas contract is trading up \$0.10 at \$2.81. The Dec19 crude oil contract is up \$0.55 at \$56.75.

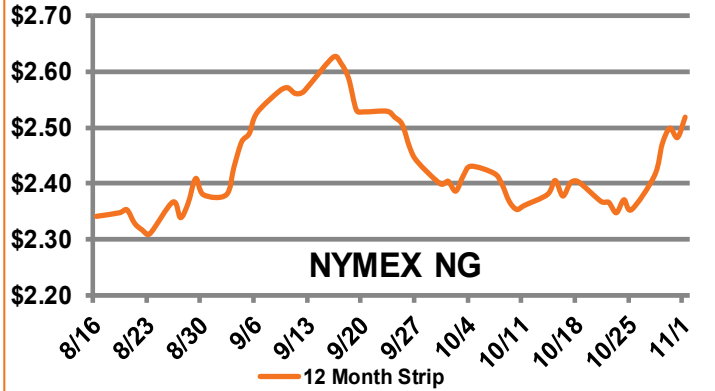
Summary: On Friday, the November 2019 NYMEX natural gas futures price surged higher, up 8.1 cents on the day to settle at \$2.714/MMBtu, and marks the highest the prompt month has traded since the beginning of April this year. This followed a bearish storage report of 89 Bcf, which was the 14th consecutive injection into storage that was above the five-year average. Storage levels this season increased at the highest rate since 2015. Significantly colder weather is forecast to dominate the majority of the country over the next couple of weeks, with the biggest change to the forecast seen later this week into next week, where another powerful cold front is expect to make its way from the upper Midwest to the East Coast. It is the time of the year where power burns continue to dip, and residential and commercial demand picks up, almost matching the lost demand from natural gas used for power generation. Res/comm demand levels are expected to increase with the colder-than-normal temps. U.S. dry production is averaging just over 92.0 Bcf/d for the first few days this month, with current levels about 1.0 Bcf/d below the all-time high reached late last month.

Bullish Factors

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

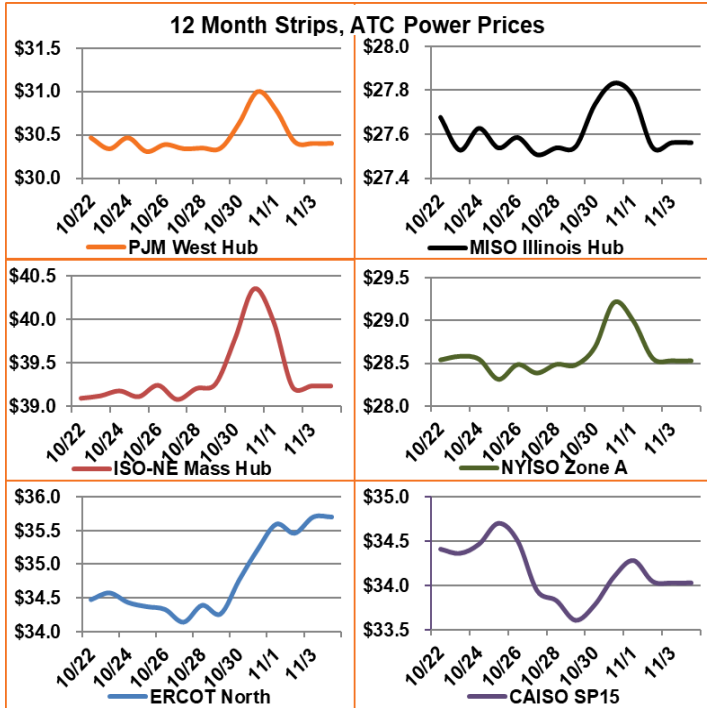
Bearish Factors

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



Next Day On-Peak Power (traded for 11/4/2019)

ISO-NE Mass Hub \$28.75	MISO Indiana Hub \$28.90	NYISO Zone G \$23.54
PJM West Hub \$31.38	ERCOT North \$27.55	CAISO SP15 \$38.08
NYMEX NG		
	Close	Change
Dec-19	2.714	0.081
Jan-20	2.802	0.070
12 Month	2.518	0.036
Cal 20	2.515	0.031
Cal 21	2.484	0.014



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,695	3,606	3,136	3,643
Diff v. Current		89	559	52
% Diff			17.8%	1.4%

