

**Early Morning Update**

The Dec19 natural gas contract is trading up \$0.06 at \$2.88. The Dec19 crude oil contract is up \$0.46 at \$57.00.

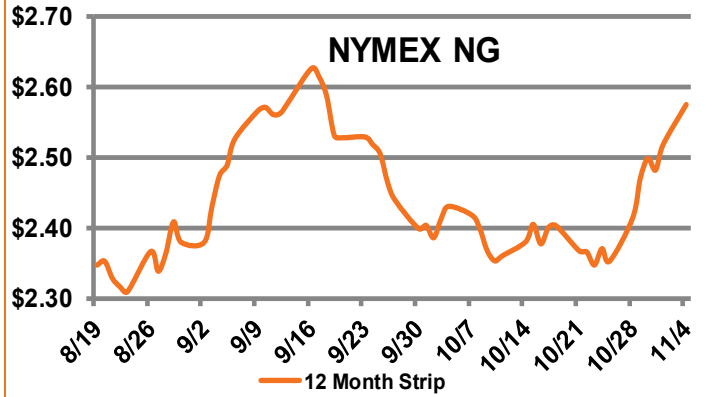
**Summary:** The natural gas market continued its rally yesterday, reacting to the rapid shift from a very warm October to a cold November. Residential and commercial heating demand has outpaced the five-year average by 30% over the last week, reaching 29 Bcf/d. With temperatures expected to fall further in the middle of November, demand in this sector is forecasted to hit nearly 34 Bcf/d. The prompt month contract reached a 6-month high yesterday, settling at \$2.82/MMBtu. This settlement price represents a ten cent day-over-day move, and a 30 cent month-over-month increase. The rest of the Jan-Mar winter strip followed this pattern as well, settling at \$2.81 averaged together. Despite the recent rally of the winter contracts, pricing for the next few calendar strips are still below \$2.60. Cal '20 settled at \$2.56, surpassing Cal '21 at \$2.49. Cals '22 and '23 moved less than a penny yesterday, settling at \$2.52 and \$2.58, 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 11/5/2019)**

<b>ISO-NE Mass Hub</b> \$27.88	<b>MISO Indiana Hub</b> \$30.48	<b>NYISO Zone G</b> \$24.42
<b>PJM West Hub</b> \$31.23	<b>ERCOT North</b> \$33.40	<b>CAISO SP15</b> \$47.19
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Dec-19	2.821	0.107
Jan-20	2.898	0.096
12 Month	2.575	0.056
Cal 20	2.565	0.050
Cal 21	2.496	0.011

**EIA Natural Gas Storage**

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

