

**Early Morning Update**

The Dec19 natural gas contract is trading up \$0.03 at \$2.80. The Dec19 crude oil contract is down \$1.03 at \$56.12.

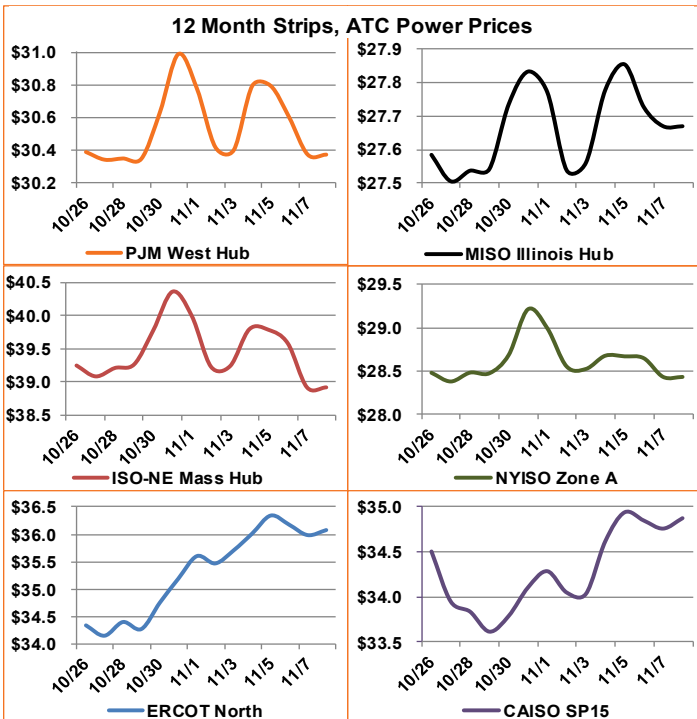
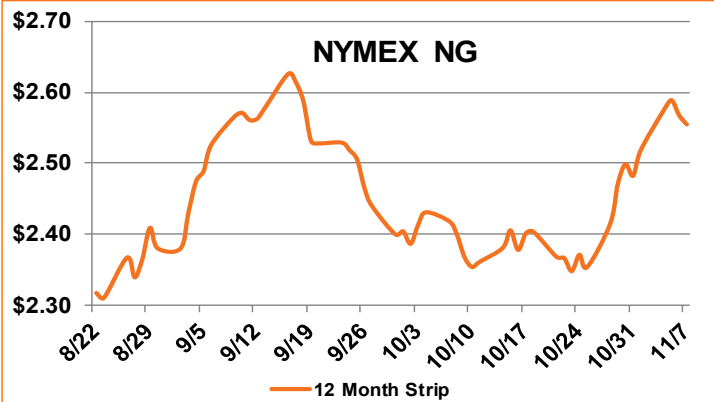
**Summary:** On the second straight day of declines, the NYMEX prompt contract lost \$0.056 to close the day at \$2.772. The drop comes after the EIA released a disappointing storage report, showing that only 34 Bcf was added to reserves. Estimates had called for a build in the low 40's, but the market shrugged off the report and fell anyway. Helping ease the market lower are weather forecasts showing a slight easing to the cold temps in the third week of Nov. Until then, however, much of the country will see much below-average temperatures, and with it, increased heating-related gas demand. This is a similar pattern to last year when November started very cold and prices rallied sharply, with the Dec '18 contract eventually settling at \$4.715. But this year, our storage reserves are far healthier, and our ability to withstand early cold is greatly improved. On the power side though, index prices have crept up in anticipation of higher spot basis pricing. Mass Hub pricing for today traded in the low \$50's.

**Bullish Factors**

- Record LNG exports
- Growing NG exports to Mexico
- Cold temps

**Bearish Factors**

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



**Next Day On-Peak Power (traded for 11/8/2019)**

<b>ISO-NE Mass Hub</b> \$50.11	<b>MISO Indiana Hub</b> \$38.45	<b>NYISO Zone G</b> \$34.25
<b>PJM West Hub</b> \$38.92	<b>ERCOT North</b> \$36.00	<b>CAISO SP15</b> \$39.86
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Dec-19	2.772	-0.056
Jan-20	2.859	-0.048
12 Month	2.554	-0.013
Cal 20	2.548	-0.008
Cal 21	2.476	-0.006

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	<b>3,729</b>	<b>3,695</b>	<b>3,199</b>	<b>3,700</b>
<b>Diff v. Current</b>		<b>34</b>	<b>530</b>	<b>29</b>
<b>% Diff</b>			<b>16.6%</b>	<b>0.8%</b>

