

Early Morning Update

The Dec19 natural gas contract is trading up \$0.08 at \$2.68. The Dec19 crude oil contract is up \$0.38 at \$57.50.

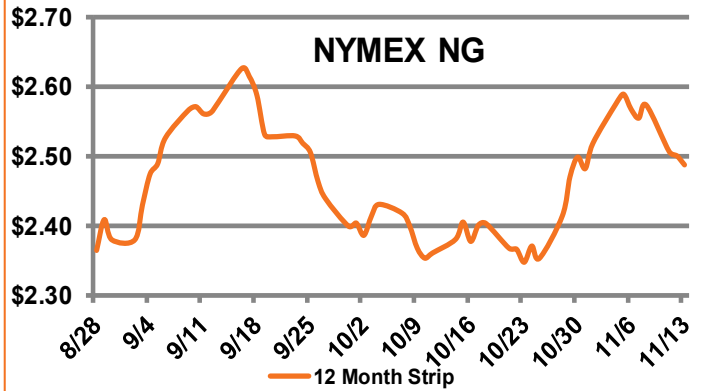
Summary: The Dec19 NYMEX natural gas contract continued its losing streak yesterday, losing \$0.021 and settling at \$2.600/MMBtu. Bearish news was also at the forefront at the back of the curve, as calendar strips '23, '24, and '25 all hit fresh all-time lows at \$2.525, \$2.575, and \$2.620/MMBtu, respectively. The early, record-cold that's blanketing the eastern half of the U.S. is forecast to dissipate over the next five days, as the East returns to normal temperatures, and the West remains above-average. The shift to more seasonal temperatures has helped the front of the NYMEX curve come off after its recent rally. The EIA released their short-term energy outlook yesterday, forecasting natural gas storage withdrawals to total 1.9 Tcf between Oct'19-Mar'20, which is less than the previous 5YA winter withdrawal. If this actualizes, end-of-March inventories would be 9% higher than the 5YA, and drastically higher compared to Mar'19 levels. The last storage build of the season will be reported later this morning, and despite the build projected to be lower than last year and the 5YA, we will be finishing out the injection season at a very healthy storage level as we enter withdrawal season.

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 11/14/2019)

ISO-NE Mass Hub \$41.20	MISO Indiana Hub \$39.50	NYISO Zone G \$39.00
PJM West Hub \$42.58	ERCOT North \$30.61	CAISO SP15 \$40.19
NYMEX NG		
	Close	Change
Dec-19	2.600	-0.021
Jan-20	2.692	-0.022
12 Month	2.487	-0.013
Cal 20	2.494	-0.012
Cal 21	2.467	-0.012

EIA Natural Gas Storage

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

