

Early Morning Update

The Dec19 natural gas contract is trading down \$0.06 at \$2.47. The Jan20 crude oil contract is up \$0.29 at \$58.30.

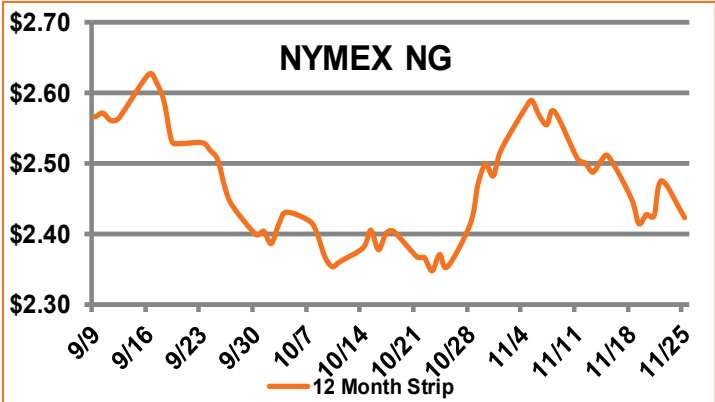
Summary: The natural gas market has continued to perform in a fashion that's seemingly counterintuitive to the major price-driving fundamentals that generally influence it. Despite colder revisions to the twenty day weather forecasts, the December, January, and February contracts each lost more than ten cents during yesterday's trading activity. The settlement prices at the end of the day were \$2.531, \$2.584, and \$2.541, respectively. A potential driver of this slide in prices could be attributed to very healthy levels of supply. Although the currently weak market prices have been threatening to eclipse producer's break-even prices for the last year, storage levels continue to strengthen as record production levels weigh heavily on prices. Thus, the market most-likely believes that supply is healthy enough to withstand any extreme weather this upcoming winter. The latest production record was established on Saturday at 93.2 Bcf per day. Because time is running out, it may be beneficial to consider locking up any open gas positions for this upcoming winter, if necessary.

Bullish Factors

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

Bearish Factors

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

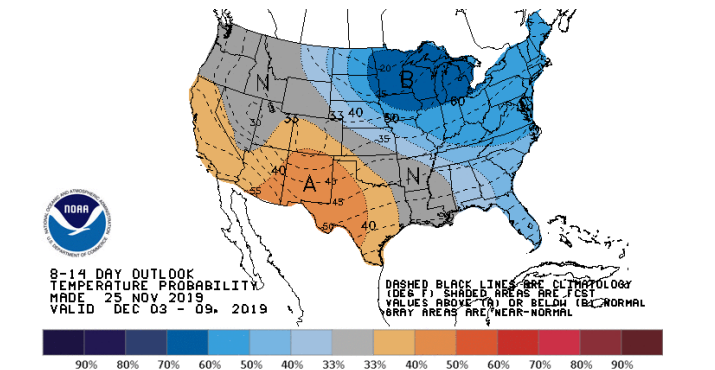
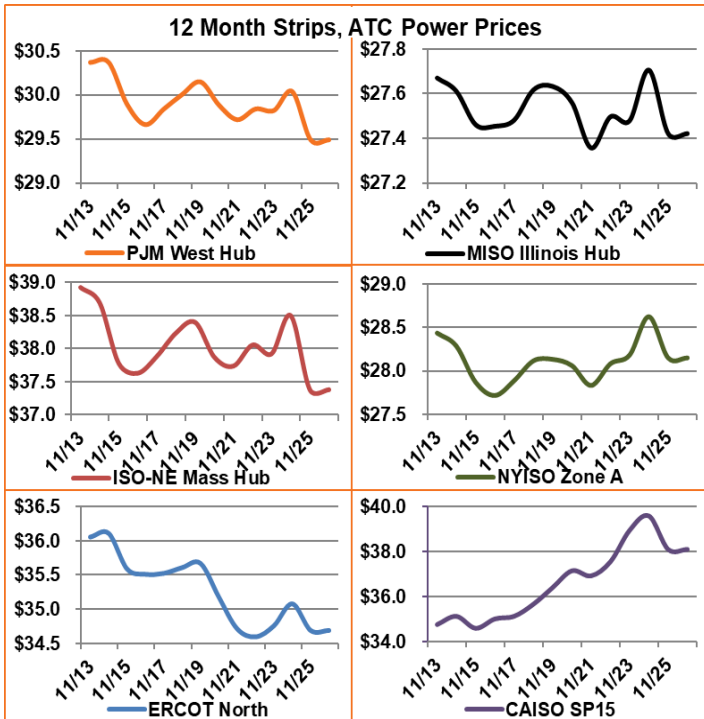


Next Day On-Peak Power (traded for 11/26/2019)

ISO-NE Mass Hub \$31.75	MISO Indiana Hub \$26.64	NYISO Zone G \$25.03
PJM West Hub \$25.05	ERCOT North \$17.32	CAISO SP15 \$49.66
NYMEX NG		
	Close	Change
Dec-19	2.531	-0.134
Jan-20	2.584	-0.126
12 Month	2.423	-0.052
Cal 20	2.433	-0.042
Cal 21	2.473	-0.002

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,638	3,732	3,132	3,698
Diff v. Current		-94	506	-60
% Diff			16.2%	-1.6%



This document is for informational purposes only. All the information provided is "as is" and is not intended for trading purposes or advice. Direct Energy makes no representations or warranties, express or implied, as to the quality, accuracy, completeness, or reliability of the information provided in this newsletter. Further, Direct Energy is not liable for any informational errors or incompleteness or for any actions taken in reliance on information contained herein. Direct Energy® and the Energy Bolt design are registered trademarks of Direct Energy Marketing Limited.