

**Early Morning Update**

The Dec20 natural gas contract is trading up \$0.03 at \$3.07. The Dec20 crude oil contract is down \$0.08 at \$39.07.

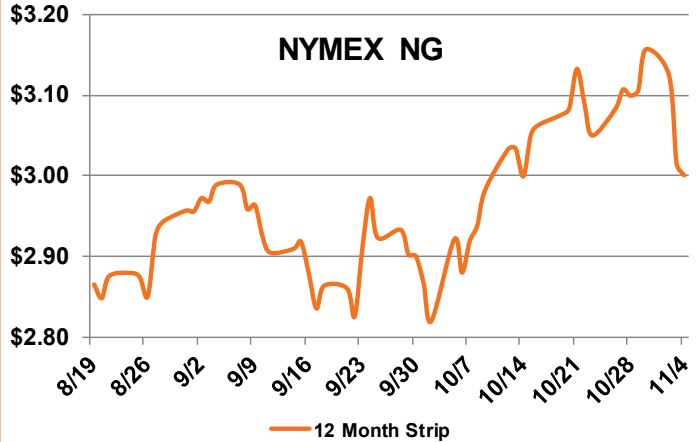
**Summary:** Bearish demand forecasts via warming temperatures in the Northeast once again drove yesterday's slight-but-broad selloff in the natural gas market. While most of the country east of the Rockies is expected to be warmer-than-normal for the majority of November, the current temperature outlook for the Northeast has changed most-significantly since the beginning of the month. Northeast temperature models have warmed 2 degrees through the 8th and 6 degrees through the subsequent week. These upward revisions have caused the expectation for res-comm demand to decrease by an estimated 13bcf/d in the region. As a result, Henry Hub futures from the December 2020 prompt contract through the November 2023 contract each lost at least a penny by the end of yesterday's trading session. The largest movement was concentrated within the 12month strip, which weakened \$0.015/MMBtu and settled at \$3.00/MMBtu. Estimates for today's potentially bullish storage report fall within the range of -10 Bcf to -38 Bcf withdrawals, directionally opposite from the five year average injection of +52 Bcf.

**Bullish Factors**

- LNG exports back in force
- High exports to Mexico
- Unstable production

**Bearish Factors**

- Coronavirus impacts on demand
- Healthy storage levels
- Lack of significant heating demand



**Next Day On-Peak Power (traded for 11/5/2020)**

<b>ISO-NE Mass Hub</b> \$23.32	<b>MISO Indiana Hub</b> \$33.00	<b>NYISO Zone G</b> \$33.39
<b>PJM West Hub</b> \$24.26	<b>ERCOT North</b> \$25.49	<b>CAISO SP15</b> \$47.82

<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
<b>Dec-20</b>	3.046	-0.013
<b>Jan-21</b>	3.177	-0.018
<b>12 Month</b>	3.001	-0.015
<b>Cal 21</b>	3.015	-0.014
<b>Cal 22</b>	2.768	-0.009

**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>	3,955	3,926	3,670	3,666
<b>Diff v. Current</b>		29	285	289
<b>% Diff</b>			7.8%	7.9%

