

Early Morning Update

The Dec20 natural gas contract is trading down \$0.01 at \$2.94. The Dec20 crude oil contract is up \$1.14 at \$42.50.

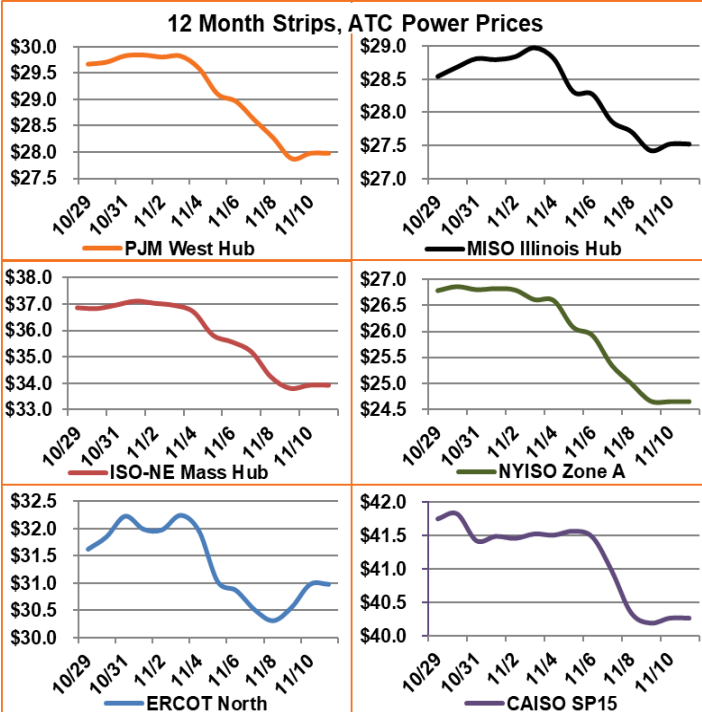
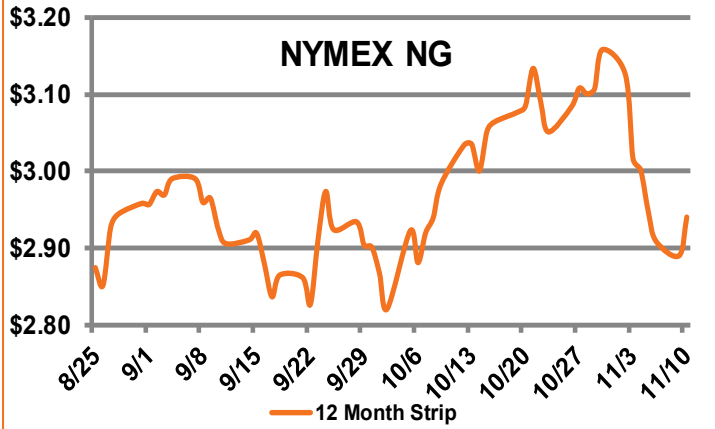
Summary: Yesterday's natural gas trading activity took a bullish turn. The December NYMEX contract rallied \$0.090 (3.1%), opening the day at \$2.859/MMBtu and closing at \$2.949/MMBtu. The January contract gained 2.5%, or \$0.074, settling at \$3.073/MMBtu, while the Cal 2021 strip gained almost a nickel. There is mixed news in the market. The bearish news is that above-average temperatures continue to linger across much of the country, particularly on the East Coast, destroying demand for natural gas during the start of heating season. Conversely, production dropped 2.7 Bcf/day, mostly concentrated in the Northeast regions of the Marcellus/Utica. This is likely a price-driven response, as daily cash prices were close to break-even levels across the region. This may also imply that producers are sticking to their plans of sticking to fiscal discipline. Producers will have to continue to focus on reigning in supplies as long as the above-average temperatures linger. In other bullish news, LNG exports continue to hover around 10 Bcf/day. Looking ahead, tomorrow's EIA storage report is expected to report a withdrawal that is less than the 5-year average.

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

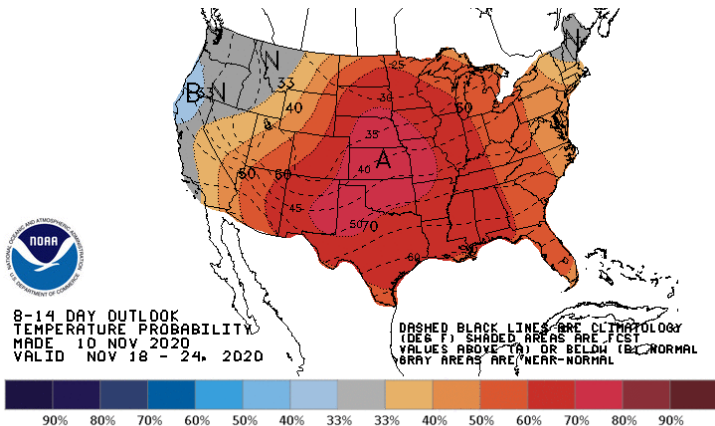
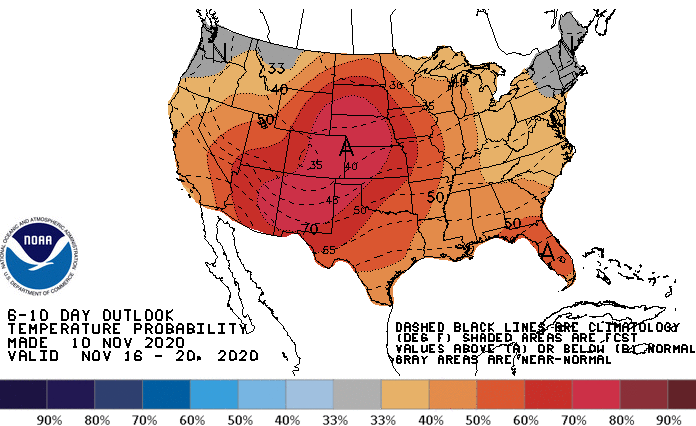


Next Day On-Peak Power (traded for 11/11/2020)

ISO-NE Mass Hub \$20.25	MISO Indiana Hub \$27.13	NYISO Zone G \$15.60
PJM West Hub \$24.82	ERCOT North \$37.25	CAISO SP15 \$38.00
NYMEX NG		
	Close	Change
Dec-20	2.949	0.090
Jan-21	3.073	0.074
12 Month	2.940	0.050
Cal 21	2.957	0.045
Cal 22	2.761	0.011

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,919	3,955	3,719	3,718
Diff v. Current		-36	200	201
% Diff			5.4%	5.4%



90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%

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