

**Early Morning Update**

The Dec20 natural gas contract is trading down \$0.02 at \$2.92. The Dec20 crude oil contract is down \$0.69 at \$38.10.

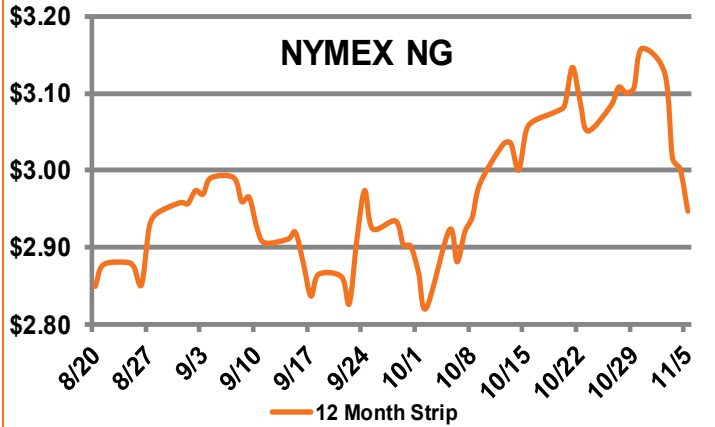
**Summary:** Despite a relatively large storage withdrawal reported by the U.S. Energy Information Administration yesterday and natural gas production dipping 1.4 Bcf/d from levels seen earlier this week, warm weather forecasts have put significant downward pressure on gas prices, with the Dec '20 contract falling below \$3.00 for the first time since its prompt month debut. The prompt month has fallen 41 cents (12%) this week, settling at \$2.942/MMBtu yesterday, while the 2021 calendar strip tumbled 18 cents (6%), settling at \$2.967/MMBtu. The EIA reported a 36 Bcf decline in storage stockpiles for the week to Oct 30, which was larger than the 31 Bcf pull the market had anticipated, and was very bullish compared to the 49 Bcf build seen last year for the same week, as well as the 52 Bcf five-year average injection. However, it is expected that draws from storage in the coming weeks will flip back to injections before the withdrawal season begins in earnest. Although the mild weather outlooks are keeping prices in check now, production momentum flattened by low crude oil prices and increases in heating demand and LNG exports over the next two months should bring upward pressure to natural gas prices.

**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

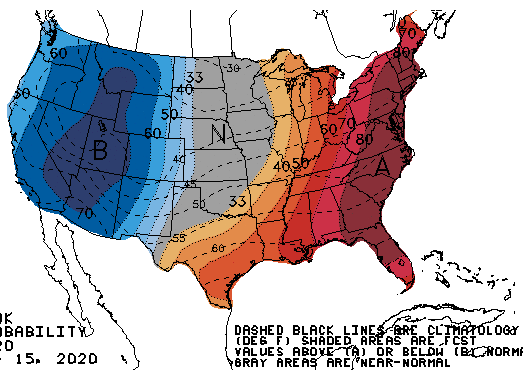
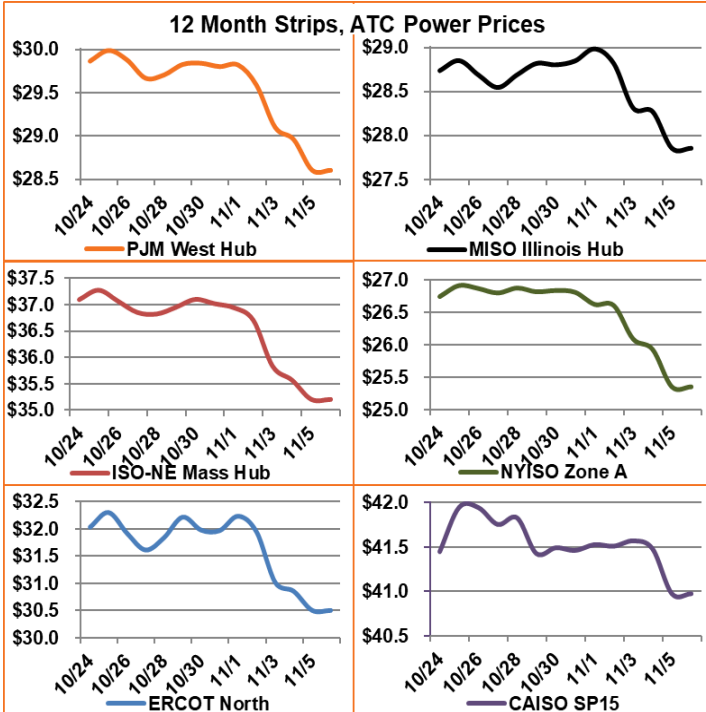


**Next Day On-Peak Power (traded for 11/6/2020)**

ISO-NE Mass Hub \$19.21	MISO Indiana Hub \$27.00	NYISO Zone G \$16.47
PJM West Hub \$22.84	ERCOT North \$36.06	CAISO SP15 \$41.80
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
Dec-20	2.942	-0.104
Jan-21	3.084	-0.093
12 Month	2.947	-0.055
Cal 21	2.967	-0.048
Cal 22	2.773	0.005

**EIA Natural Gas Storage**

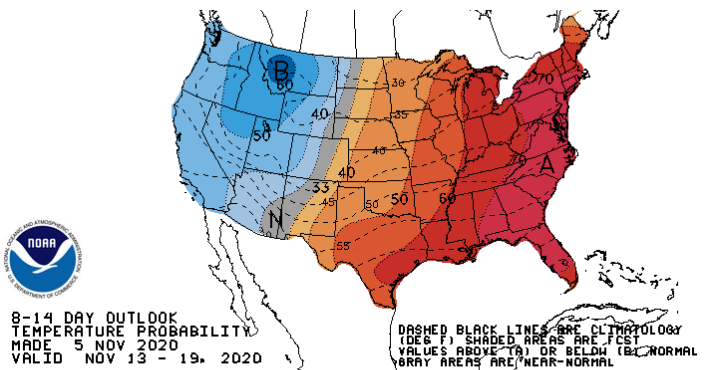
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	3,955	3,926	3,670	3,666
<b>Diff v. Current</b>		29	285	289
<b>% Diff</b>			7.8%	7.9%



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 5 NOV 2020  
VALID NOV 11 - 15, 2020

DASHED BLACK LINES ARE CLIMATOLOGY  
(DEG F) SHADED AREAS ARE FCST  
VALUES ABOVE (A) OR BELOW (B) NORMAL  
GRAY AREAS ARE NEAR-NORMAL

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



8-14 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 5 NOV 2020  
VALID NOV 13 - 19, 2020

DASHED BLACK LINES ARE CLIMATOLOGY  
(DEG F) SHADED AREAS ARE FCST  
VALUES ABOVE (A) OR BELOW (B) NORMAL  
GRAY AREAS ARE NEAR-NORMAL

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