

**Early Morning Update**

The Nov20 natural gas contract is trading up \$0.17 at \$2.91. The Nov20 crude oil contract is down \$0.60 at \$40.00.

**Summary:** On Friday, the November 2020 NYMEX natural gas futures price surged 11.4 cents on the day to settle at \$2.741/MMBtu, resulting in the third successive week that the prompt month has rallied. About 92% of U.S. Gulf of Mexico production was offline over the weekend, as Hurricane Delta made landfall in Louisiana. However, demand destruction could offset the dip in supply. The remnants of the storm will mostly bring some rain to the eastern U.S. today. Some cooler-than-normal temperatures will begin to creep in towards the East following this week, which could result in a bump to early heating demand. So far this month, U.S. dry production has been averaging just under 86.0 Bcf/d, with most of the drop due to Hurricane Delta. Supply concerns for this winter remain, as producers seem to linger in maintenance mode. Direct Energy will release their preliminary winter weather forecast and will host a webinar this Thursday, October 15th. If you are interested in listening in, please go here to register:

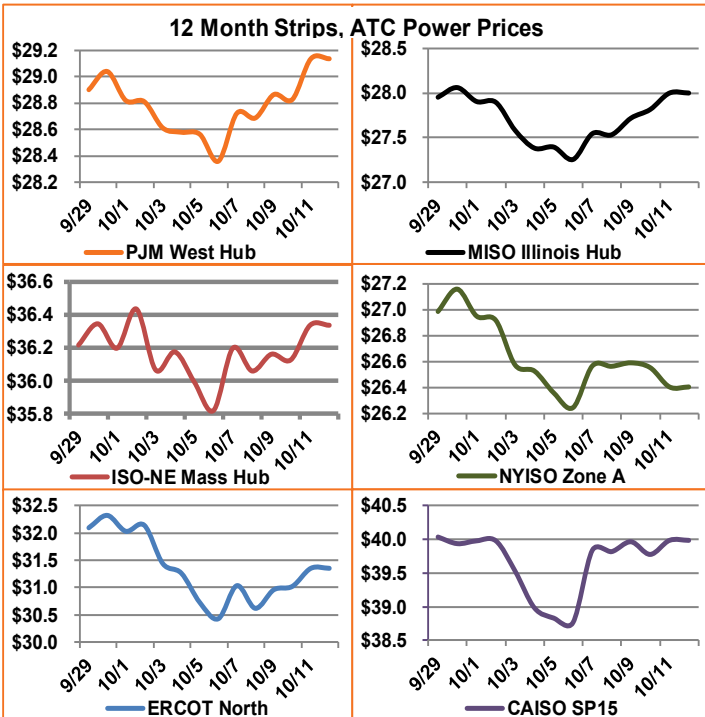
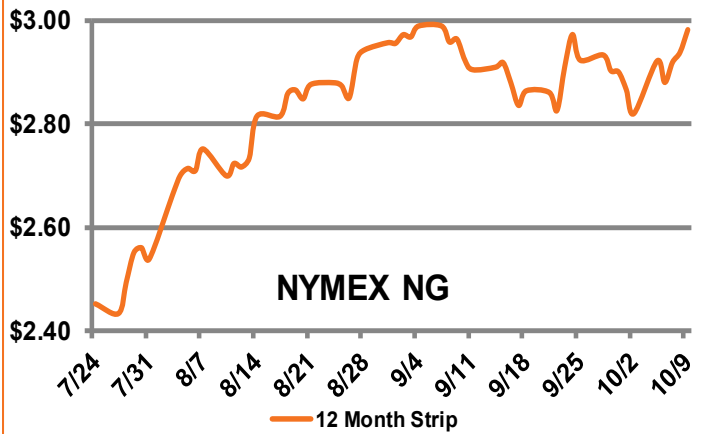
<https://biz.directenergy.com/l/698983/2020-09-21/m7rkq>

**Bullish Factors**

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

**Bearish Factors**

- Coronavirus impacts on demand
- Healthy storage levels
- Normal temperatures declining



**Next Day On-Peak Power (traded for 10/12/2020)**

ISO-NE Mass Hub \$23.41	MISO Indiana Hub \$26.27	NYISO Zone G \$19.33
PJM West Hub \$24.89	ERCOT North \$36.00	CAISO SP15 \$42.90
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Nov-20	2.741	0.114
Dec-20	3.204	0.055
12 Month	2.983	0.043
Cal 21	2.989	0.034
Cal 22	2.644	0.007

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	3,831	3,756	3,387	3,437
<b>Diff v. Current</b>		75	444	394
<b>% Diff</b>			13.1%	11.5%

