

Early Morning Update

The Nov20 natural gas contract is trading down \$0.08 at \$2.80. The Nov20 crude oil contract is up \$0.57 at \$40.00.

Summary: Since Hurricane Delta's landfall and destructive winds have mostly passed, rapid analysis of repairs have been made. What initially scared the market was an exact repeat of Hurricane Laura, which shut in much of the production in the gulf, but also destroyed the electric infrastructure that powered one of two of the largest American LNG export facilities. This time is different, though. Cameron and Sabine pass, while still building back up slowly, do not appear to have catastrophic damages and look to be returning back to full capacity fairly quickly. Quickly rising LNG feedgas demand, coupled with curtailed offshore production from the storm, helped push the prompt month natural gas contract up 14 cents on Monday, settling at \$2.88/MMBtu. As we look to the future, there is more of a concern now as we look at the winter and how that will affect natural gas supply and demand. Preliminary winter weather forecasts are starting to be released, and Direct Energy will be releasing our report in a webinar this Thursday, October 15th. If you are interested, please register for the event here:

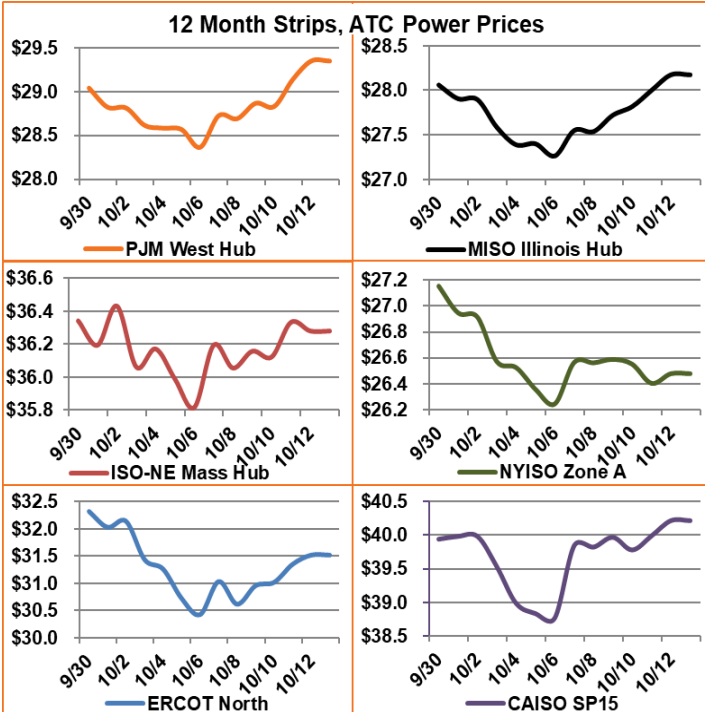
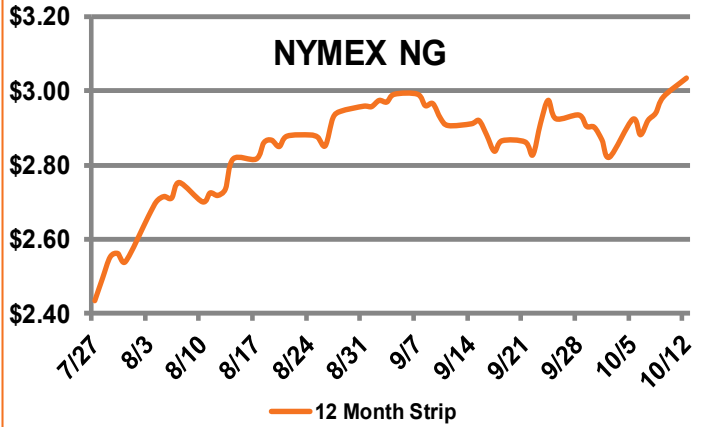
<https://biz.directenergy.com/l/698983/2020-09-21/m7rkq>

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 10/13/2020)

ISO-NE Mass Hub \$27.00	MISO Indiana Hub \$28.18	NYISO Zone G \$19.63
PJM West Hub \$22.43	ERCOT North \$26.98	CAISO SP15 \$65.33

NYMEX NG	Close	Change
Nov-20	2.881	0.140
Dec-20	3.271	0.067
12 Month	3.033	0.051
Cal 21	3.028	0.039
Cal 22	2.650	0.006

EIA Natural Gas Storage

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

