

**Early Morning Update**

The Nov20 natural gas contract is trading up \$0.11 at \$2.91. The Nov20 crude oil contract is down \$0.23 at \$40.60.

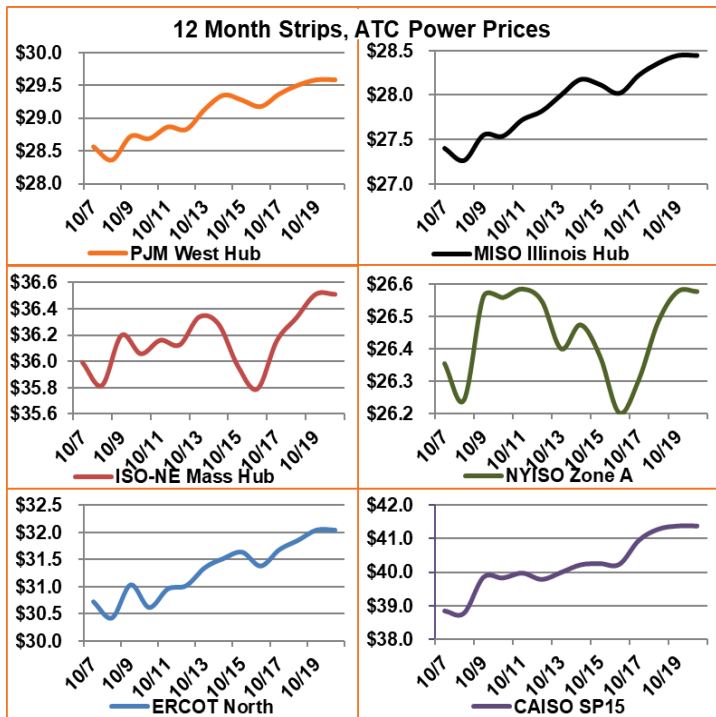
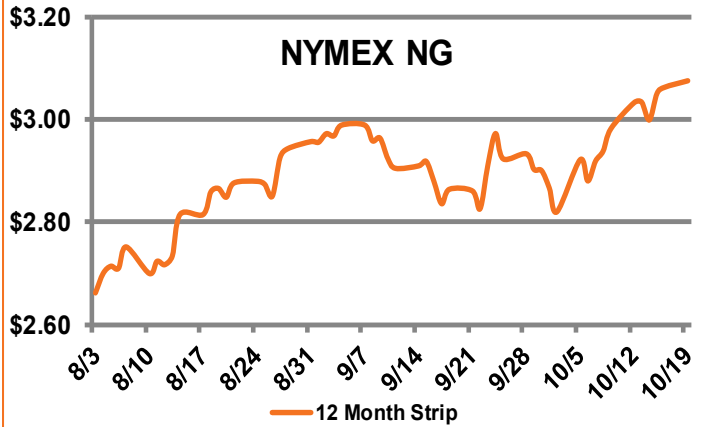
**Summary:** Yesterday, the November NYMEX natural gas contract saw a lot of intraday movement, but closed the day at \$2.795/MMBtu, just 2.2 cents higher than Friday's close. Cals '23-'26 saw gains of around four cents, as well, but the 12-month strip and Cals '21 and '22 saw movement of only 1.5 cents or less. Week-over-week changes tell a different story, with the prompt month losing 8.6 cents compared to last Monday, but gains beyond the prompt of 4.3 cents for the 12-month strip and Cal '26, and gains of 7-11 cents for Cals '21-'25. The Nov '20 - Mar '21 winter strip closed yesterday at \$3.224/MMBtu and is up another 5.5 cents this morning, currently at \$3.272. Natural gas production has shown a rebound at 90 Bcf/d, increasing from summer averages of 86-88 Bcf/day and recovering from recent shut-ins during Hurricane Delta, but the outlook still remains bullish amidst supply concerns for the upcoming winter. While storage inventory is strong as we approach withdrawal season, U.S. production is predicted to remain about 8.0 Bcf/d below last year's winter production, potentially causing a supply shortage, especially if the early cold expected in December turns into sustained cold further into the winter.

**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 10/20/2020)**

ISO-NE Mass Hub \$29.99	MISO Indiana Hub \$31.16	NYISO Zone G \$20.92
PJM West Hub \$28.76	ERCOT North \$26.00	CAISO SP15 \$42.11
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
Nov-20	2.795	0.022
Dec-20	3.280	0.009
12 Month	3.076	0.013
Cal 21	3.093	0.012
Cal 22	2.728	0.005

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	3,877	3,831	3,489	3,524
<b>Diff v. Current</b>		46	388	353
<b>% Diff</b>			11.1%	10.0%

