

**Early Morning Update**

The Nov20 natural gas contract is trading up \$0.12 at \$3.03. The Nov20 crude oil contract is down \$0.60 at \$41.10.

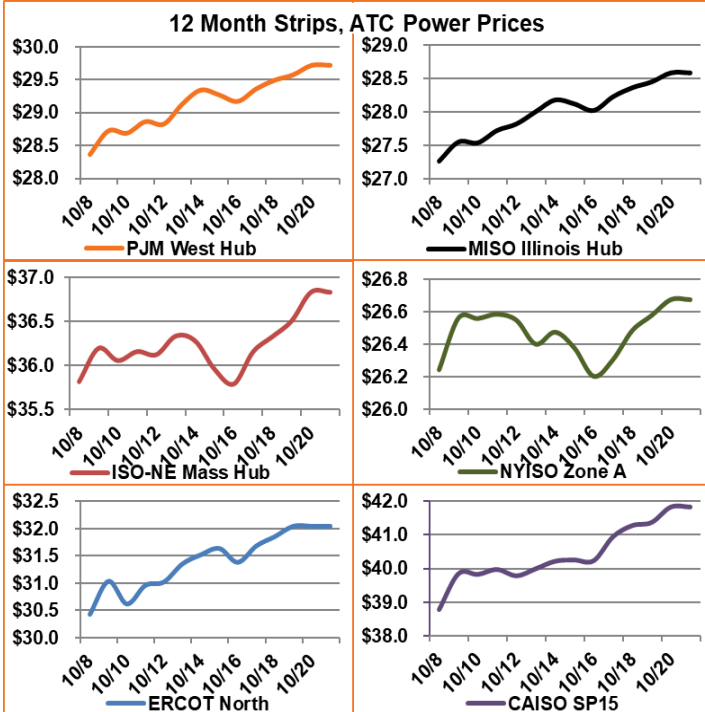
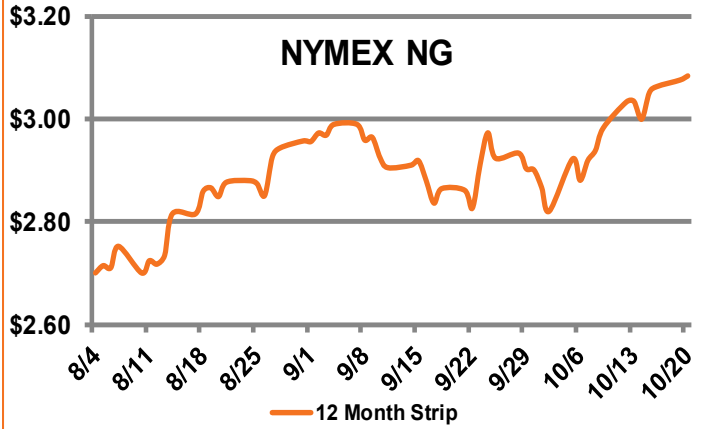
**Summary:** Yesterday's natural gas trading session saw more volatility in the prompt month, as the November contract gained 11.8 cents to close at \$2.913/MMBtu. The remaining winter months all dropped about two cents, resulting in the winter strip remaining flat on the day. This mixed movement in the near-term narrowed the spread between the Nov and Dec contracts by 14 cents, bringing it to 35 cents. There was little movement in '21 and '22, but, beginning in mid-2023, there was a broad downward shift of just under six cents each month throughout the curve. Natural gas production has held steady near 89 Bcf/d since Friday, coinciding with a slight downward trend in Res/comm demand, as many areas across the U.S. have been experiencing above-average temperatures, which look to continue for a couple more days. However, temperatures are expected to drop to below average for the latter half of October, which would support higher heating demand and reduce the amount of gas that will make it into underground storage. The next three storage reports are projected to show injections that net out to a deficit of 99 Bcf when compared to the 5-yr average and 135 Bcf for the same period last year.

**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 10/21/2020)**

<b>ISO-NE Mass Hub</b> \$28.95	<b>MISO Indiana Hub</b> \$32.40	<b>NYISO Zone G</b> \$21.96
<b>PJM West Hub</b> \$29.59	<b>ERCOT North</b> \$28.30	<b>CAISO SP15</b> \$46.94
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Nov-20	2.913	0.118
Dec-20	3.260	-0.020
12 Month	3.084	0.008
Cal 21	3.095	0.002
Cal 22	2.738	0.011

**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%

