

Early Morning Update

The Nov20 natural gas contract is trading up \$.01 to yesterday's close at \$3.02. The Dec20 crude oil contract is down \$1.85 at \$37.72.

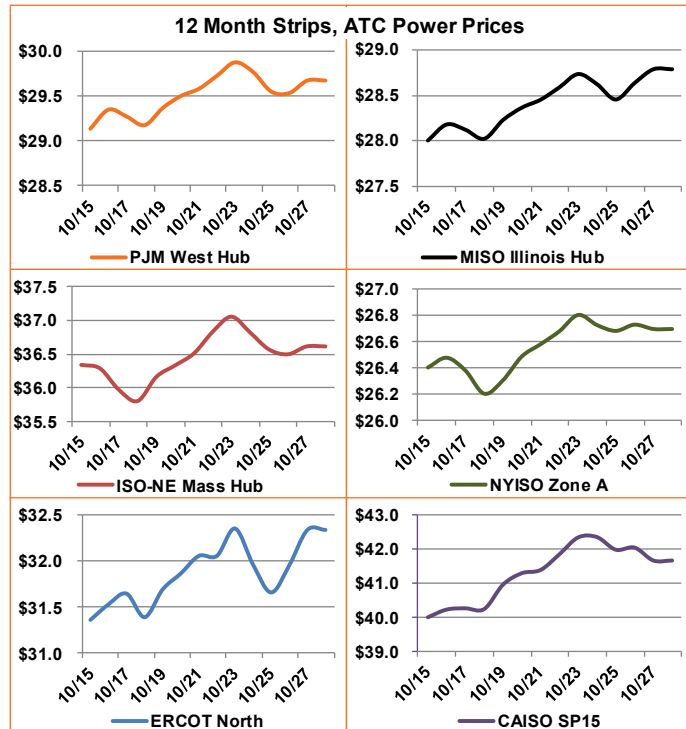
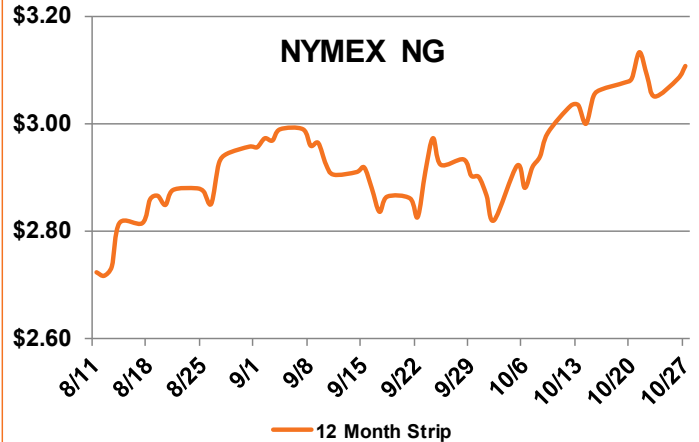
Summary: Today marks the last trading session for the November contract as it reaches its expiration date and December becomes the new prompt month. Yesterday's trading activity left little change in the November contract, losing half a penny, opening the day at \$3.024/MMBtu and closing at \$3.019/MMBtu. However, the December contract gained 1.8%, or \$0.058/MMBtu. The twelve-month strip, and calendar year 2021 gained two pennies each. While calendar year 2022 gained less than a penny. As the Gulf Coast braces for yet another storm, Zeta threatens off-shore production rigs. As such, preliminary estimates are calling for a drop of 700 MMBtu/day of natural gas production, and an additional 300 MMBtu/day loss in on-shore production in Texas. Northeast production, on the other hand, is projected to be up 500/MMBtu's. All-in-all, a net loss of 500 MMBtu's is expected. Demand continues to trend higher, lead by colder temperatures driving residential heating demand. Looking ahead, tomorrow's EIA storage report is expected to report an injection that is less than the 5-year average.

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 10/28/2020)

ISO-NE Mass Hub \$34.21	MISO Indiana Hub \$36.98	NYISO Zone G \$26.25
PJM West Hub \$33.01	ERCOT North \$43.16	CAISO SP15 \$44.50

NYMEX NG	Close	Change
Nov-20	3.019	-0.005
Dec-20	3.311	0.058
12 Month	3.108	0.024
Cal 21	3.107	0.021
Cal 22	2.777	0.009

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,926	3,877	3,581	3,599
Diff v. Current		49	345	327
% Diff			9.6%	9.1%

