

**Early Morning Update**

The Oct20 natural gas contract is trading up \$0.01 at \$2.32. The Oct20 crude oil contract is up \$0.49 at \$37.75.

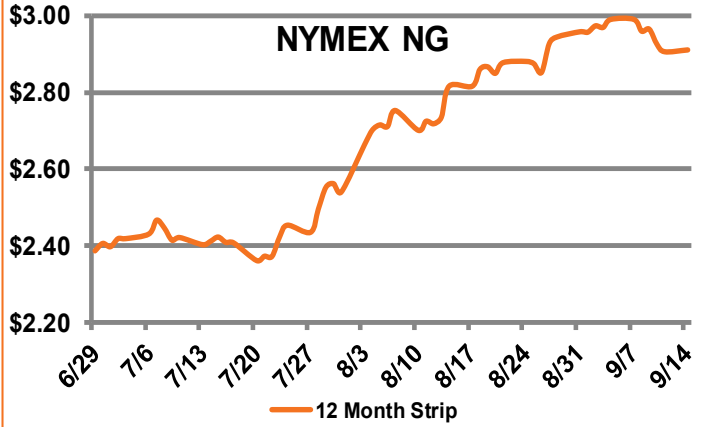
**Summary:** NYMEX prices have been fairly volatile the last few weeks, rallying up to \$2.65/MMBtu and now recently falling to current levels, which are laying now at \$2.31/MMBtu. Prices on the larger scale originally seemed to be reflecting the change of expectations in the light of three factors: COVID effects, storage, and the upcoming election. The effects of COVID seem to be lifting, with demand no longer being as suppressed as the few months early on this summer. Storage, though high, was under scrutiny, with declining production due to low natural gas prices. As a result, prices had to increase or face serious possible repercussions if winter comes in cold with high natural gas demand. The upcoming election will likely not have either potential 2020 president directly impact the energy sector right away. However, volatility around the uncertainty is still there and is demonstrating its influence on prices. Despite the near-term market reactions to current events, the '23-'25 calendar strips are still more steady and remain at very low levels compared to their trading history. Moving forward, readers should consider if they are properly hedged against risk as we continue through these unprecedented times.

**Bullish Factors**

- Curtailed production
- High power burns
- LNG exports back in force

**Bearish Factors**

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



**Next Day On-Peak Power (traded for 9/15/2020)**

<b>ISO-NE Mass Hub</b> \$21.47	<b>MISO Indiana Hub</b> \$25.00	<b>NYISO Zone G</b> \$18.27
<b>PJM West Hub</b> \$21.90	<b>ERCOT North</b> \$31.88	<b>CAISO SP15</b> \$35.67

<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Oct-20	2.310	0.041
Nov-20	2.740	-0.004
12 Month	2.910	0.005
Cal 21	2.967	0.005
Cal 22	2.655	0.007

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	3,525	3,455	2,997	3,116
<b>Diff v. Current</b>		70	528	409
<b>% Diff</b>			17.6%	13.1%

