

Early Morning Update

The Oct20 natural gas contract is trading up \$0.09 at \$2.22. The Nov20 crude oil contract is down \$0.03 at \$39.90.

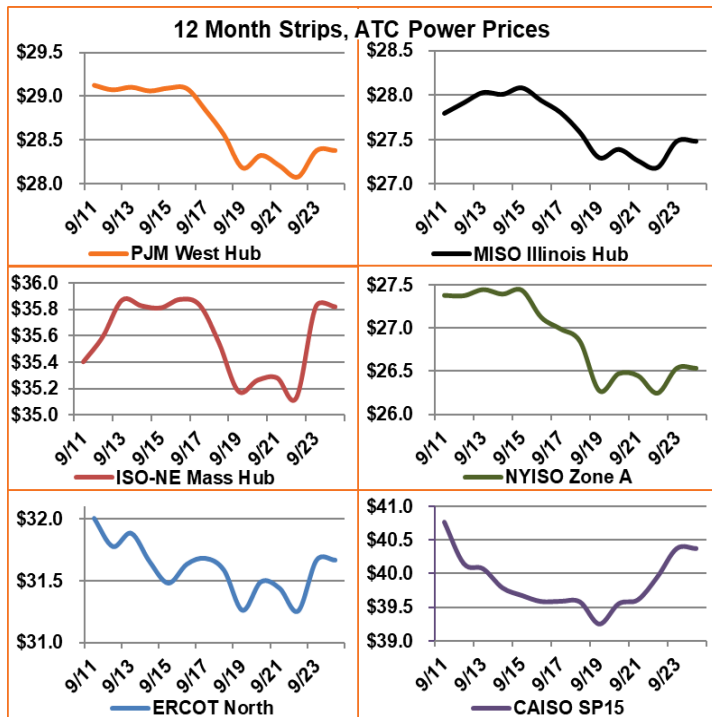
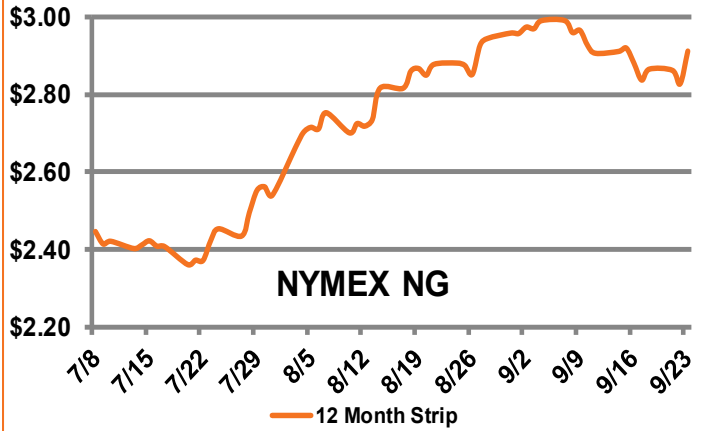
Summary: The ongoing seesaw game of supply and demand once again tipped in favor of producers, as natural gas prices rallied during yesterday's trading day. After technically-driven sell-offs depressed prices below \$2/MMBtu three days ago, market participants took advantage of the buying opportunity to close their open positions upon reports of bullish supply data. Details from Platts present untimely output reductions in all major producing regions, ultimately leading the overly-sensitive prompt contract to gain \$0.29/MMBtu throughout the trading session yesterday. Since the beginning of the week, total U.S. natural gas demand has risen 3.2 Bcf/d to 82.2 Bcf/d on rising power burn demand driven by warmer weather, a rebound in LNG feedgas demand, and incremental exports to Mexico. While the front three months were hit hardest, each strengthening by at least \$0.10/MMBtu, the pre-winter supply uncertainty rippled through most forward Henry Hub contracts within the 24-month strip. Prices were likely unimpacted by today's expected storage report, which is likely to fall in line with the 5-year average of 80 Bcf.

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 9/24/2020)

ISO-NE Mass Hub \$23.40	MISO Indiana Hub \$25.00	NYISO Zone G \$19.09
PJM West Hub \$22.13	ERCOT North \$20.10	CAISO SP15 \$37.84
NYMEX NG	Close	Change
Oct-20	2.125	0.291
Nov-20	2.794	0.197
12 Month	2.911	0.084
Cal 21	2.971	0.043
Cal 22	2.659	0.011

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,614	3,525	3,079	3,193
Diff v. Current		89	535	421
% Diff			17.4%	13.2%

