

Early Morning Update

The Oct20 natural gas contract is trading down \$0.03 at \$2.21. The Nov20 crude oil contract is down \$0.37 at \$39.94.

Summary: Another day for the bulls as the prompt month traded higher by \$.123 to close the day at \$2.248. Over the past week, the prompt month has traded from \$2.048, down to \$1.834 and back up to yesterdays' close. Volatility has definitely returned as we turn the corner and head towards winter. The market is alternately concerned and relieved by steady production, growing LNG demand, low rig counts, mild weather and other conflicting data. Winter weather forecasts will start to be published over the next few weeks, which may bring some clarity and direction to the market. Direct Energy will publish our winter outlook on October 15, with a webinar to follow.

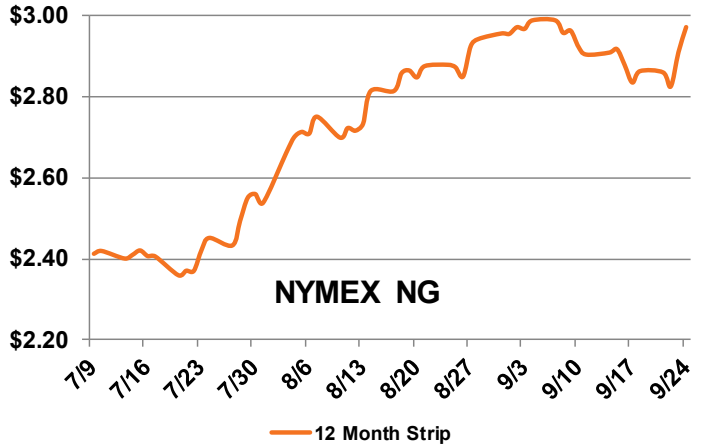
But while we're seeing volatility at the front of the NYMEX curve, longer term NYMEX as well as power index and power term pricing remains stable. Index pricing in the east in particular is low and steady. But the market definitely has a 'calm before the storm' feel as winter demand is a bigger question market than in recent years.

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 9/25/2020)

ISO-NE Mass Hub \$24.88	MISO Indiana Hub \$23.64	NYISO Zone G \$20.29
PJM West Hub \$19.93	ERCOT North \$19.00	CAISO SP15 \$31.92

NYMEX NG	Close	Change
Oct-20	2.248	0.123
Nov-20	2.899	0.105
12 Month	2.973	0.062
Cal 21	3.008	0.037
Cal 22	2.667	0.008

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,680	3,614	3,176	3,273
Diff v. Current		66	504	407
% Diff			15.9%	12.4%

