



## NATURAL GAS MARKET UPDATE

October 18, 2019

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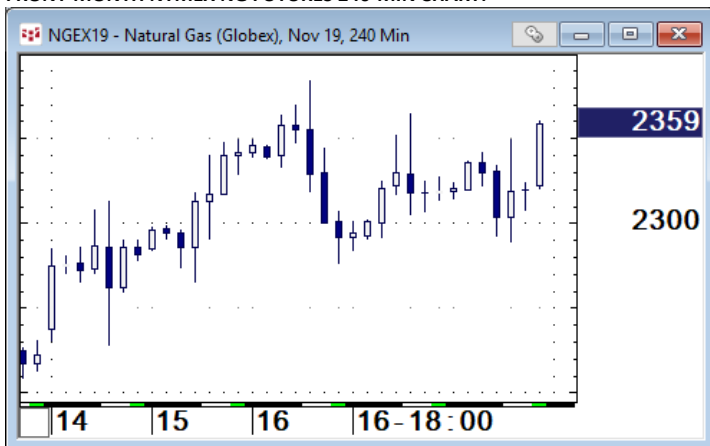
### NYMEX HENRY HUB SETTLEMENT PRICES:

10/18/19	Settle	Season	Year	Year	Year
Nov19	2.320	Nov19-Mar20	2.515	Cal 20	2.421
Dec19	2.517	Apr20-Oct20	2.323	Cal 21	2.435
Jan20	2.635	Nov20-Mar21	2.611	Cal 22	2.481
Feb20	2.603	Apr21-Oct21	2.315	Cal 23	2.549
Mar20	2.499	Nov21-Mar22	2.610	Cal 24	2.622
Apr20	2.274	Apr22-Oct22	2.374	Cal 25	2.695
May20	2.260	Nov22-Mar23	2.667	Cal 26	2.770
Jun20	2.302	Apr23-Oct23	2.440	Cal 27	2.889
Jul20	2.350	Nov23-Mar24	2.757	Cal 28	2.989

### DOMINION-SOUTH FIXED-PRICE MARKETS (NYMEX/HENRY+ ICE DOM-SOUTH BASIS):

Month	Price	Season	Price
Nov-19	1.8375	Nov19-Mar20	2.1438
Dec-19	2.1520	Apr20-Oct20	1.8421
Jan-20	2.2950	Nov20-Mar21	2.2210
Feb-20	2.2705	Apr21-Oct21	1.7981
Mar-20	2.1640	Nov21-Mar22	2.2066
Apr-20	1.9540	Nov19-Oct20(1-Year)	1.9678
May-20	1.8725	Calendar 2020	1.9828
Jun-20	1.8970	Calendar 2021	1.9741
Jul-20	1.9450	Calendar 2022	1.9728
Aug-20	1.9400	Calendar 2023	1.9748
Sep-20	1.6540	Calendar 2024	2.0359
Oct-20	1.6320	Calendar 2025	2.1110

### FRONT-MONTH NYMEX NG FUTURES 240-MIN CHART:

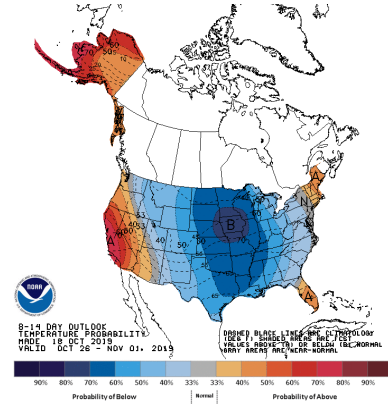


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### DAILY CASH MARKET PRICES (for GD18):

Columbia Gas Transmission (TCO)	1.890
Dominion South Point	1.725
Henry Hub	2.230
Socal, citygate	3.055
Sumas	2.475
Transco Leidy	1.705
Transco Zone 5 South	2.255
Waha	1.210

### NOAA 8 TO 14 DAY TEMPERATURE ANOMALY FORECAST:



### WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	10/11/2019	Build/(Draw)
Current Storage	3,519 Bcf	+104 Bcf
		Surplus/(Deficit)
Last Year Storage	3,025 Bcf	494 Bcf
5-Year Average	3,505 Bcf	14 Bcf
<b>ICE Traded Markets:</b>	ICE Settle:	
Weekly Storage Inventory Number (10/24/2019)		+90 Bcf
End of Injection Season Storage (11/14/2019)		3,793 Bcf

**Market Commentary:** The trading week began with a slightly higher open on Sunday night, opening in the mid-2.20's and trading up a nickel or so early on, then up over 2.30 by early Monday morning, before sellers knocked it back down into the low 2.20's, but that didn't hold either. The market worked its way back up toward 2.30 by Monday night, but overhead resistance capped that attempt, then by Tuesday's open we were back above 2.30 and looking up. NG had reached the mid-2.30's by Tuesday afternoon but couldn't get over the 2.350 hurdle, at least not until the wee hours on Weds, and then on the open that day we traded up to a weekly high of 2.384. That yielded a decline of nearly 11 cents as the day unfolded, but the market found support in the upper 2.20's and started back higher. As yesterday's storage report approached the bulls managed to get Nov Nymex back to the mid-2.30's, and when the +104 Bcf injection hit the wires the market spiked up to a daily high print of 2.365, before sellers knocked it right back down, returning to the low 2.30's by the close. Last night we got only as high as 2.342 before trading into the upper 2.20's once again this AM, and again we bounced from there back up into the mid-2.30's (over and over). That proved too rich for the moment, and we pared gains to settle at 2.320 today which was +.002 from yesterday, but as soon as it settled it started back up, and we have seen a high print of 2.360 this afternoon as we gear up for cooler weather. The 8 to 14 day outlook from NOAA has shifted colder, and conditions now appear to be favorable for that to stick around for a while, so prices have firmed up in response. Kinder Morgan was out this week with news that a project in the planning stages, the Permian Highway Pipeline, expected to carry another 2 Bcf/day from West Texas to the Gulf Coast (after the Gulf Coast Express came online last month with the same capacity and direction), has been pushed back as some producers pared their plans in the play. They are not scrapping this project, but the timeline for when it is needed by the market has been pushed back several months to "early 2021", which Goldman Sachs just published a research note on, suggesting that the pushback on the timeline offers potential upside to their current price forecast of \$2.50 Nymex for Cal21, and could also offer upside to prices next winter since that source of supply growth will be delayed. Their 2.50 Nymex price forecast for Cal21 was recently reduced from 2.75, which is Goldman's long-term Nymex price forecast, but should prices return to 2.75 they see production ticking up and capping the rally. Markets are fluid by nature though, and a lot can happen over that time.

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