

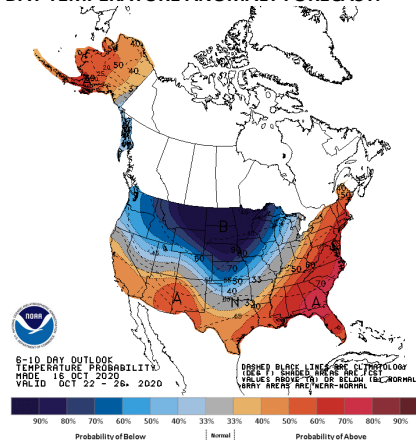


NATURAL GAS MARKET UPDATE

October 16, 2020

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NOAA 6 TO 10 DAY TEMPERATURE ANOMALY FORECAST:



NYMEX HENRY HUB SETTLEMENT PRICES:

10/16/20	Settle	Season		Year	
Nov20	2.773	Nov20-Mar21	3.212	Cal 21	3.080
Dec20	3.271	Apr21-Oct21	2.958	Cal 22	2.720
Jan21	3.405	Nov21-Mar22	3.160	Cal 23	2.533
Feb21	3.364	Apr22-Oct22	2.522	Cal 24	2.466
Mar21	3.249	Nov22-Mar23	2.811	Cal 25	2.474
Apr21	2.948	Apr23-Oct23	2.375	Cal 26	2.472
May21	2.906	Nov23-Mar24	2.684	Cal 27	2.503
Jun21	2.933	Apr24-Oct24	2.320	Cal 28	2.550
Jul21	2.970	Nov24-Mar25	2.665	Cal 29	2.609

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

Nov-20	2.0305	Nov20-Mar21	2.7159
Dec-20	2.7985	Apr21-Oct21	2.3615
Jan-21	2.9700	Nov21-Mar22	2.7234
Feb-21	2.9440	Apr22-Oct22	1.9402
Mar-21	2.8365	Nov22-Mar23	2.3700
Apr-21	2.5355	Apr23-Oct23	1.7979
May-21	2.3835	Nov20-Oct21 (1-year)	2.5092
Jun-21	2.3855	Calendar 2021	2.5473
Jul-21	2.3950	Calendar 2022	2.2015
Aug-21	2.3640	Calendar 2023	2.0100
Sep-21	2.1885	Calendar 2024	1.9468
Oct-21	2.2785	Calendar 2025	1.9416

FRONT-MONTH NYMEX NG FUTURES 240-MIN CHART:



CQG Inc. © 2020 NGEX20,240 | 10/16/2020 17:26:54, CQG 21.10.8004 Alpha

DAILY CASH MARKET PRICES (for GD16):

Columbia Gas Transmission (TCO)	1.975
Dominion South Point	1.255
Henry Hub	2.235
Tetco M2 (receipts)	1.145
Tetco M3	1.420
Transco Station 85 (Zone 4)	2.220
Transco Zone 5 South	2.260
Waha	0.075

WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	10/09/2020	Build/(Draw)
Current Storage	3,877 Bcf	+46 Bcf
		Surplus/(Deficit)
Last Year Storage	3,489 Bcf	388 Bcf
5-Year Average	3,524 Bcf	353 Bcf
ICE Traded Markets:		ICE Settle:
Weekly Storage Inventory Number (10/22/2020)		+49 Bcf
End of Natural Gas Storage Swap (11/12/2020)		3,930 Bcf

Market Commentary: This week saw more big swings in the natural gas market, with a new 21-month continuation chart high of 2.955 touched on Sunday's night's Globex open, which gave way to a 35-cent decline by Wednesday afternoon for the front-month Nov20 Nymex contract. The selloff then yielded a 25 cent rally by this morning, only to see that reverse and prices to drop back into the upper 2.60's this afternoon. Hurricane Delta ended up causing production shut-ins in the Gulf that were deemed bullish for a market that has gotten very tight in its supply/demand balances, and the knocking offline of production sent prices shooting higher on Sunday night to within a nickel of the elusive 3-handle for prompt NG. That did prove to be the high print for the week, but there was considerable volatility once again as the market grapples with opposing forces of brimming storage on the one hand and tight balances on the other, ahead of the possibility for extreme cold this winter to create some real excitement. Cameron LNG suffered another setback this week when a barge sunk in a Louisiana ship channel that serves the export facility on Tuesday evening, which sent Nov futures tumbling in reaction. After settling at 2.855 for Nov Nymex on Tuesday, the market tumbled as low as 2.61 on Wednesday afternoon on the loss in feedgas demand and the unknown duration of the outage. By yesterday morning, however, prices had shrugged off that concern and the market's focus had shifted to the tightness of supply/demand balances and we had moved back into the low 2.80's for Nov Nymex. The weekly storage report showed an injection of just 46 Bcf for the week, which was at least 5 Bcf shy of consensus and underscored the tightness in the market, though the reaction was fairly muted and we did not get above 2.83 on the knee-jerk reaction. Sellers didn't get much in the way of momentum going for them either though, and we chopped in the upper 2.70's for much of the rest of yesterday and overnight last night, before a push back above 2.85 early this morning ended up being the most that buyers could achieve. The market pared gains into the close, only to have news emerge that the removal of the sunken barge inhibiting ship traffic would take an additional three weeks to clean up, limiting the resumption of exports from Cameron LNG, and in turn feedgas demand to the plant. The 6 to 10 day outlook from NOAA is showing some deep blues that NG bulls like to see in the winter months, and while it isn't officially winter yet, it is just around the corner at this point and the market is already looking tight.

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