

Join Kyle Cooper at 3:00 pm EST every Wednesday for his “Cooper on Oil & Gas” Live Chat on [www.enelyst.com](http://www.enelyst.com)

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***Week Ending October 25, 2019***

**Please contact me to review a joint RBN Energy daily publication detailing natural gas fundamentals.**

**Price Action:** The spot price fell 2.0 cents (0.9%) to \$2.300 on a 12.9 cent range (\$2.342/\$2.219).

**Price Outlook:** Despite still bullish weather forecasts, prices established a new weekly low as the temperature adjusted supply/demand balance remains bearish. The yearly storage surplus and new established surplus to the 5-year continued to increase and until those surpluses start to fall on a continued pace, price upside is likely somewhat limited. Mother Nature remains THE primary driver for natural gas, especially in the winter. The last day of the forecast is currently projected to return to above normal. For daily updated storage projections, subscribe to our joint publication with RBN Energy. CFTC data indicated a (15,894) contract increase in the net short managed money position as longs added and shorts added. The latest position represents a (49,739) contract reduction from the record (219,742) net short position from August 13. Total open interest rose 21,730 to 3.457 million as of October 22. Aggregated CME futures open interest fell (59,706) to 1.209 million as of October 25. This is the lowest CME open interest since October 2. The current weather forecast is now cooler than 8 of the last 10 years. Pipeline data indicates total flows to Cheniere's Sabine Pass export facility were at 4.3 bcf. Cove Point is net exporting 0.7 bcf. Corpus Christi is exporting 1.481 bcf. Cameron is exporting 0.549 bcf. Freeport is exporting 0.400 bcf. Elba Island is exporting 0.033 bcf.

**Weekly Storage:** US working gas storage for the week ending October 18 indicated an injection of +87 bcf. Working gas inventories rose to 3,606 bcf. Current inventories rise 511 bcf (16.5%) above last year and rise 22 bcf (0.6%) above the 5-year average.

**Storage Outlook:** The EIA weekly implied flow was (2) bcf from our EIA storage estimate. This week's storage estimate was outside our tolerance. Over the last five weeks, the EIA has reported total injections of +503 bcf compared to our +502 bcf estimate. The forecasts use a 10-year rolling temperature profile past the 15-day forecast. Our joint publication with RBN updates storage projections daily.

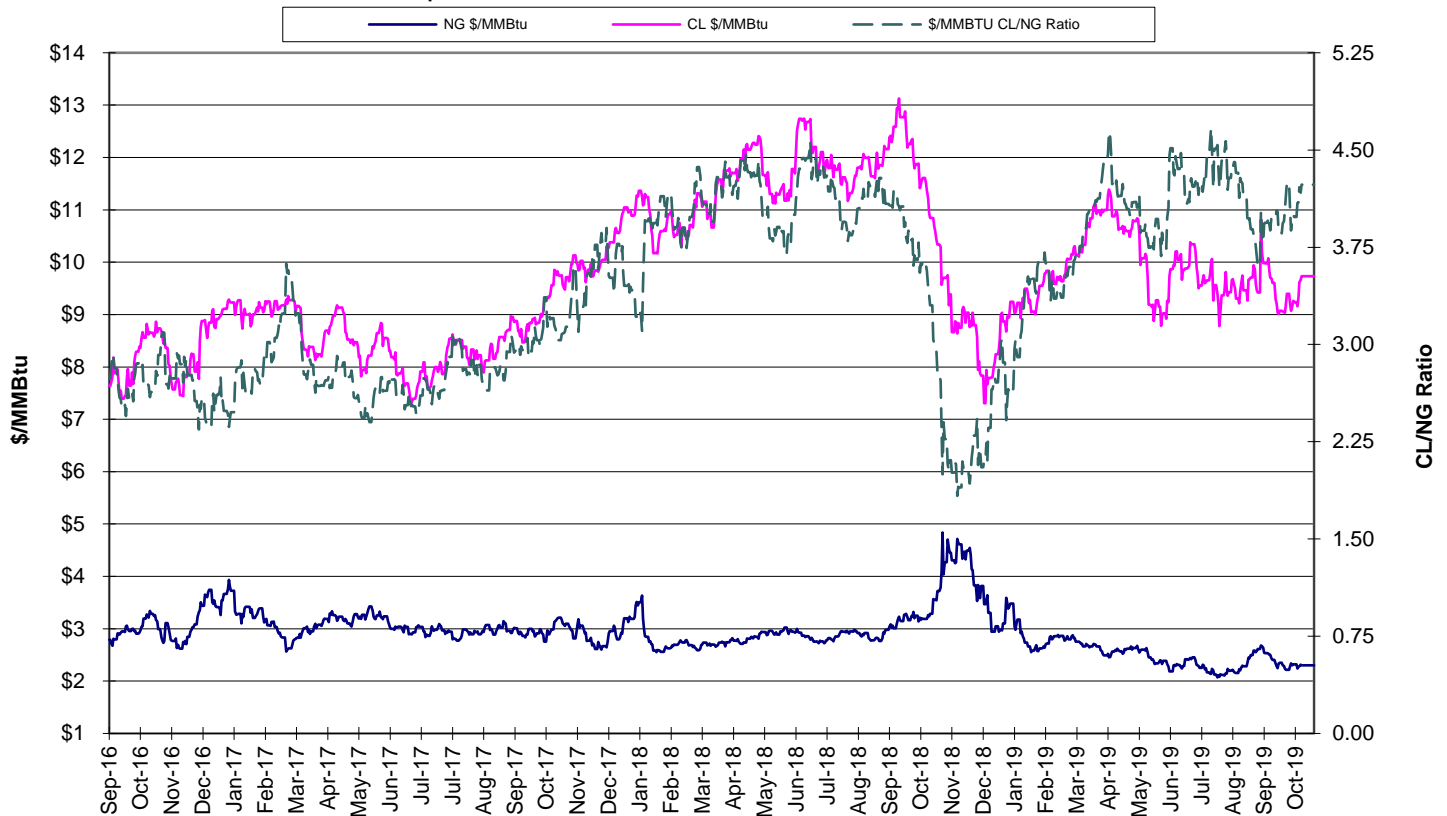
**Supply Trends:** Total supply rose 0.3 bcf/d to 85.8 bcf/d. US production rose. Canadian imports fell. LNG imports rose. LNG exports rose. Mexican exports fell. The US Baker Hughes rig count fell (21). Oil activity decreased (17). Natural gas activity decreased (4). The total US rig count now stands at 830. The Canadian rig count rose +4 to 147. Thus, the total North American rig count fell (17) to 977 and now trails last year by (291). The higher efficiency US horizontal rig count fell (17) to 728 and falls (199) below last year.

**Demand Trends:** Total demand rose +1.9 bcf/d to +72.6 bcf/d. Power demand fell. Industrial demand rose. Res/Comm demand rose. Electricity demand fell (2,552) gigawatt-hrs to 67,907 which trails last year by (1,557) (-2.2%) and trails the 5-year average by (2,746)(-3.9%).

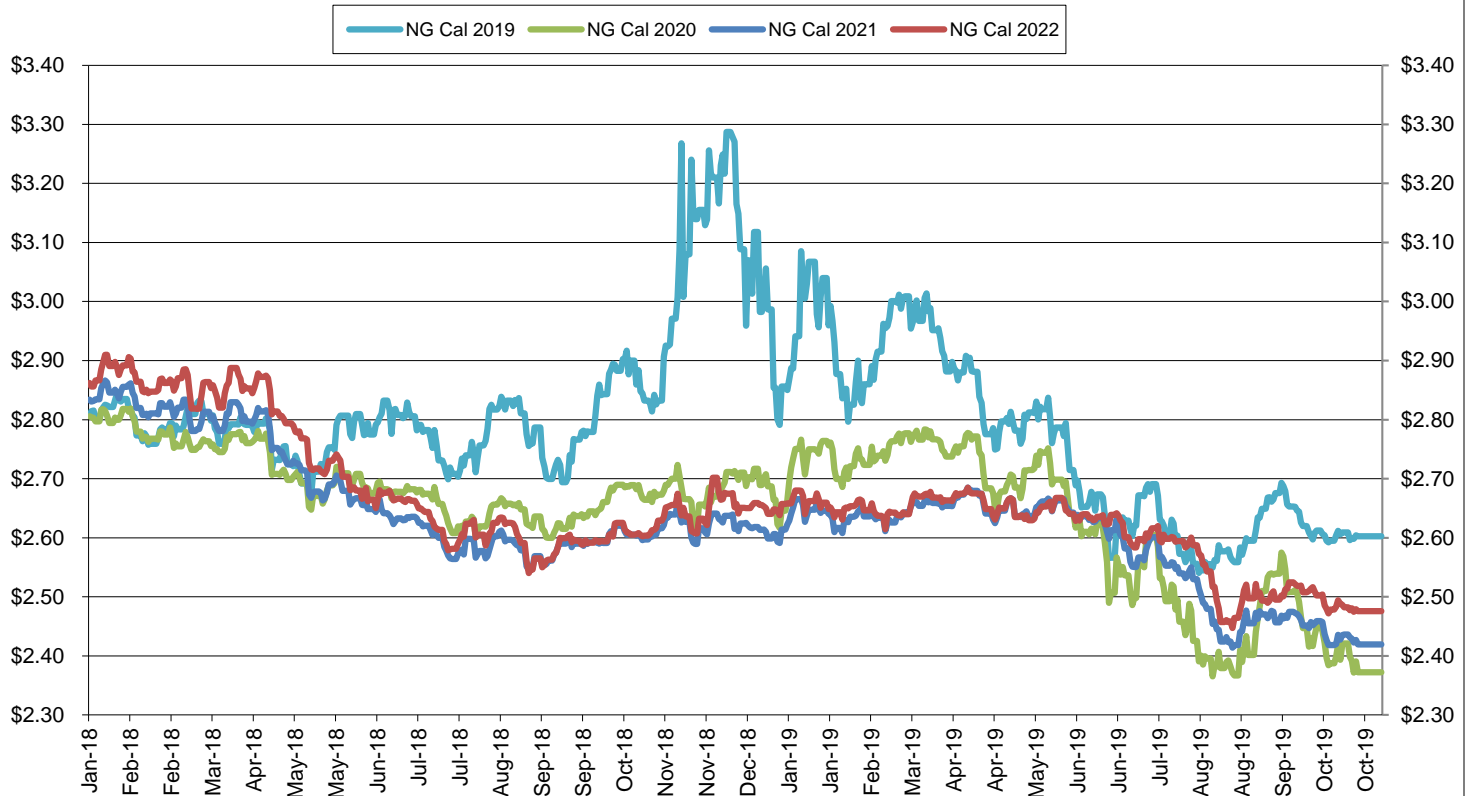
**Nuclear Generation:** Nuclear generation fell (1,890) MW in the reference week to 77,303 MW. This is +845 MW higher than last year and (1,678) MW lower than the 5-year average. Recent output was at 80,282 MW.

- The heating season beginning is beginning. With a forecast through November 8, the 2020 total heating index is at (159) compared to (129) for 2019, (141) for 2018, (36) for 2017, (64) for 2016, (116) for 2015, (159) for 2014, (105) for 2013 and (153) for 2012.

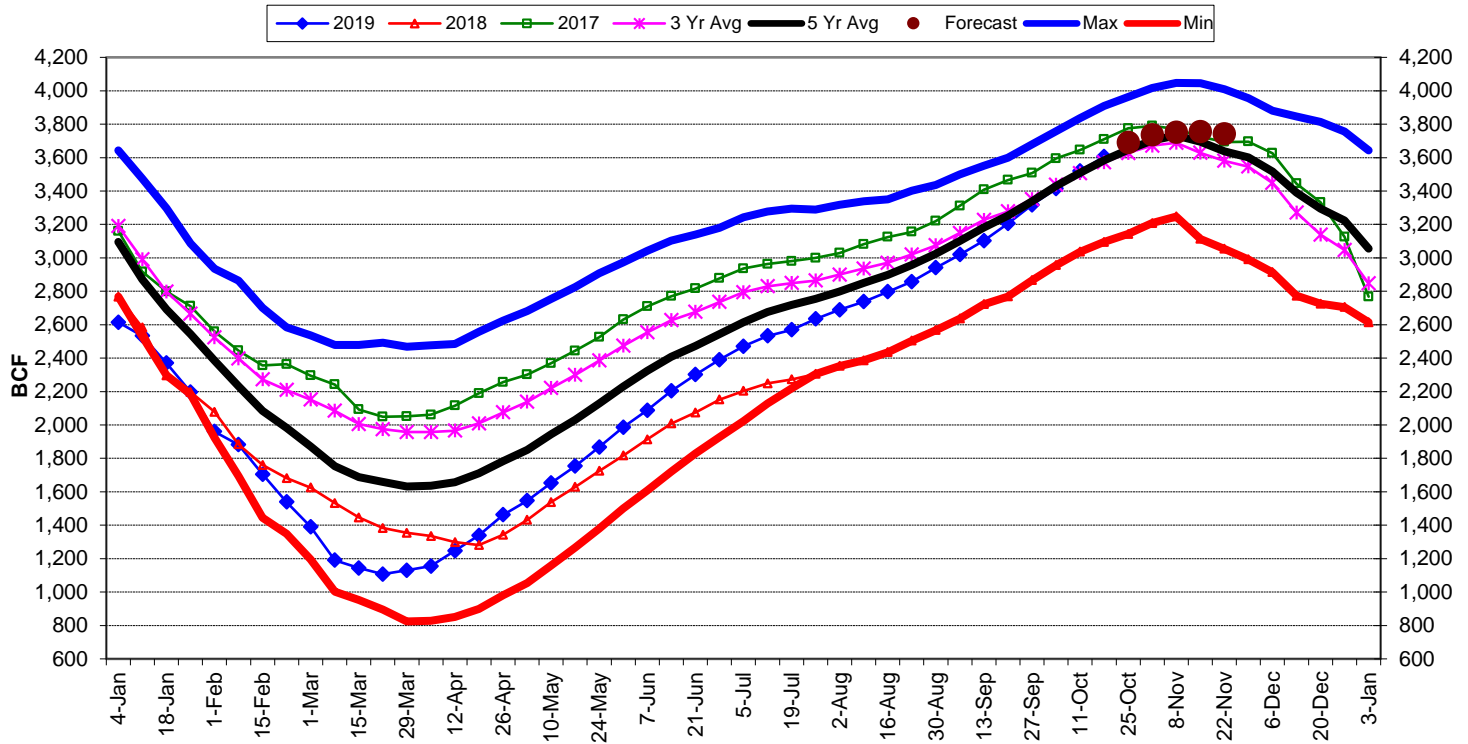
### \$/MMBtu Ratio of NYMEX CL and NG



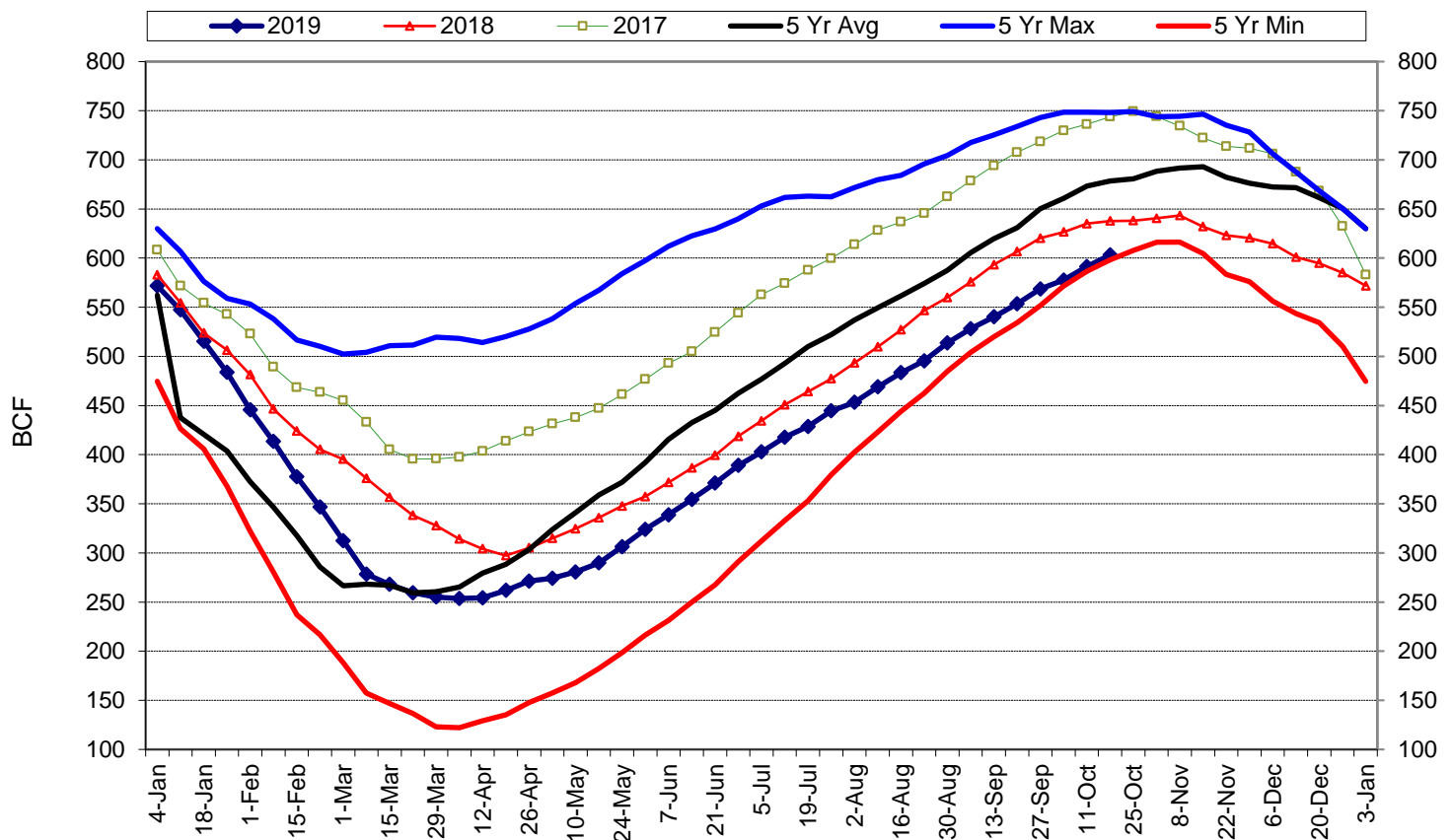
### NYMEX Calendar Strips



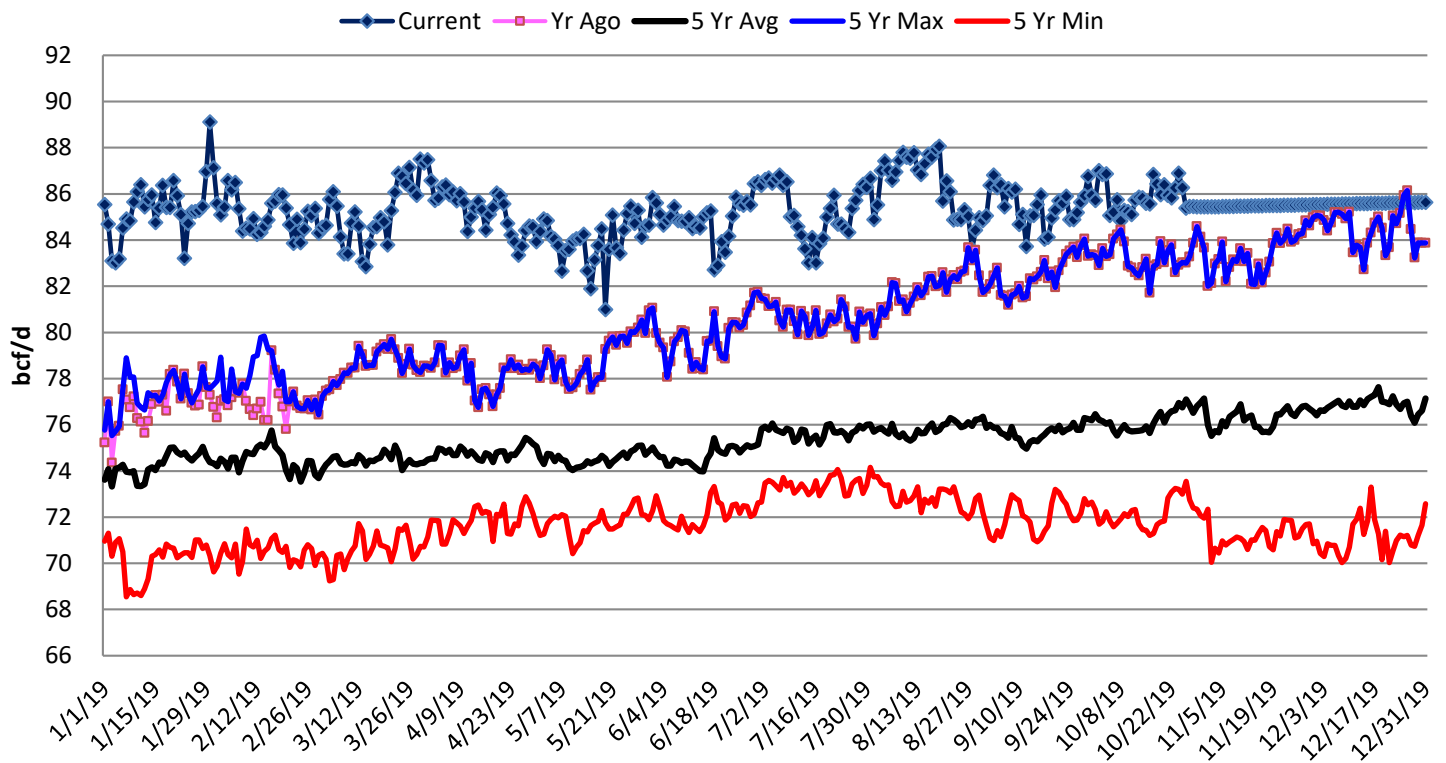
### US Total Working Gas Storage - Source - EIA



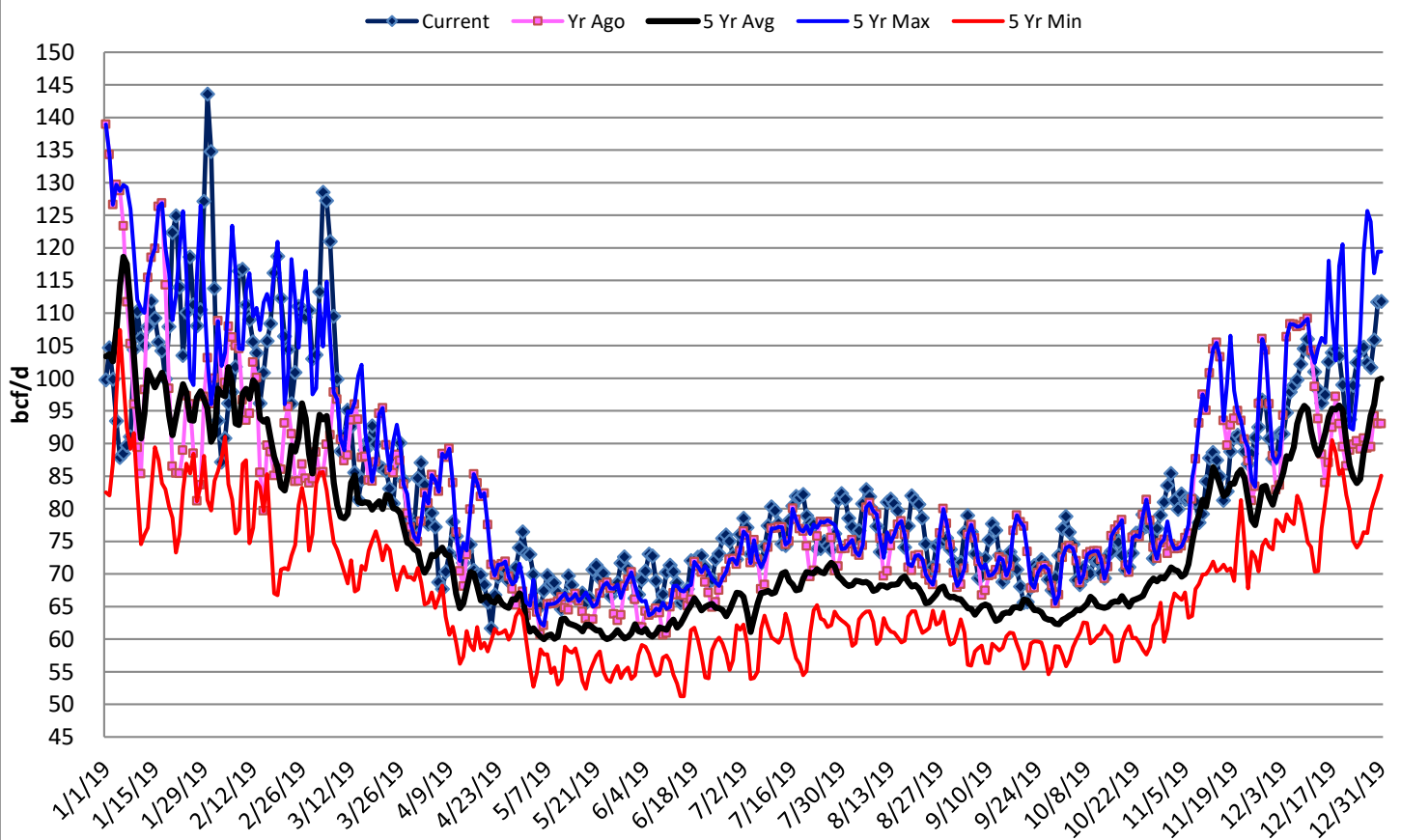
### Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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