

Weekly Headlines

- Oil/Gas
- German Winter
- Technical Look

POWER PRICING (\$/MWh)

Day-Ahead LMPs		Mon 10/2	Tue 10/3	Wed 10/4	Thu 10/5	Fri 10/6
PJM	On-Peak WESTERN HUB	\$51.66	\$60.71	\$61.59	\$49.23	\$36.75
	Off-Peak WESTERN HUB	\$20.84	\$22.44	\$21.58	\$24.59	\$22.53
	On-Peak N ILLINOIS HUB	\$46.73	\$51.49	\$46.96	\$38.73	\$24.24
	Off-Peak N ILLINOIS HUB	\$19.05	\$19.92	\$17.91	\$22.57	\$19.54
	On-Peak PPL	\$31.96	\$36.74	\$34.34	\$30.05	\$28.91
	Off-Peak PPL	\$15.74	\$16.20	\$15.21	\$17.05	\$18.75
	On-Peak PENELEC	\$42.75	\$50.49	\$50.80	\$40.06	\$32.56
	Off-Peak PENELEC	\$19.10	\$19.97	\$19.40	\$21.43	\$20.63
	On-Peak COMED	\$46.83	\$51.26	\$47.29	\$38.32	\$24.34
	Off-Peak COMED	\$19.01	\$19.60	\$17.92	\$22.57	\$19.55
MISO	On-Peak INDIANA HUB	\$52.28	\$58.51	\$67.40	\$43.12	\$33.06
	Off-Peak INDIANA HUB	\$22.86	\$23.76	\$22.86	\$23.61	\$21.58
	On-Peak MICHIGAN HUB	\$51.55	\$58.93	\$49.38	\$36.40	\$28.21
	Off-Peak MICHIGAN HUB	\$22.67	\$23.70	\$22.86	\$23.43	\$21.41
	On-Peak MINN HUB	\$49.93	\$39.52	\$43.30	\$23.93	\$21.44
	Off-Peak MINN HUB	\$19.29	\$20.42	\$20.73	\$19.14	\$15.16
ERCOT	On-Peak LOUISIANA HUB	\$40.88	\$37.05	\$35.08	\$31.10	\$28.16
	Off-Peak LOUISIANA HUB	\$19.92	\$19.23	\$19.41	\$20.16	\$21.21
	On-Peak NORTH	\$19.69	\$13.16	\$34.30	\$26.92	\$20.92
	Off-Peak NORTH	\$15.95	\$9.00	\$21.22	\$23.29	\$21.89
On-Peak SOUTH	\$42.65	\$39.64	\$39.62	\$28.43	\$29.43	
Off-Peak SOUTH	\$21.53	\$19.67	\$22.41	\$24.38	\$24.26	

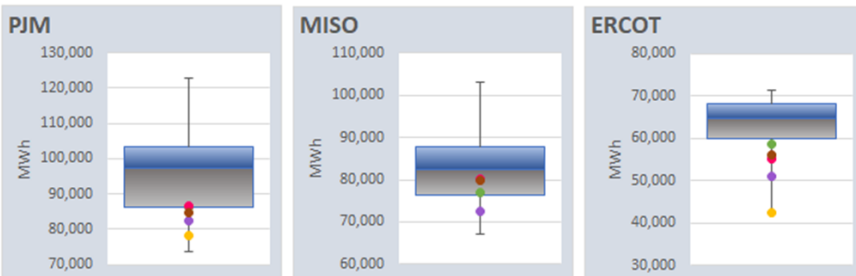
* Red signifies week over week price change down / Green signifies week over week price change up

Futures	Western Hub		Indiana Hub		North Hub	
	On-Peak	Off-Peak	On-Peak	Off-Peak	On-Peak	Off-Peak
	\$52.83	\$39.40	\$54.65	\$40.87	\$61.76	\$37.01

* Forward 12 month strip

DAILY RTO LOAD PROFILE (MWh)

● -10/2 ● -10/3 ● -10/4 ● -10/5 ● -10/6



* Current week daily load plotted with past 3 months daily load

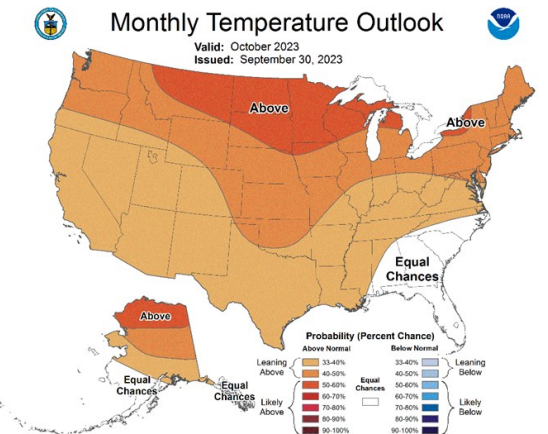
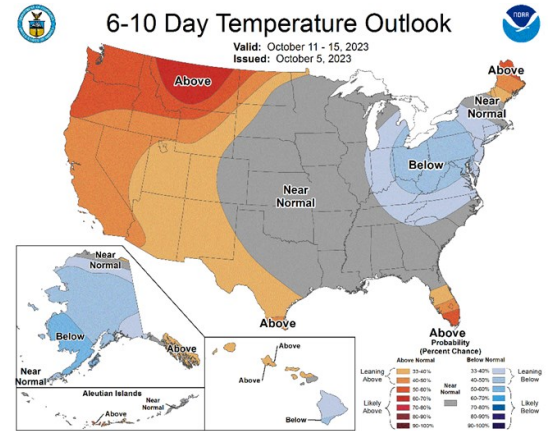
COMMENTARY

EIA natural gas storage showed a slightly less build of 86 Bcf versus the expected 96 Bcf. Inventories remain over 5% of the 5-year average and are well ahead of last year by 11.5%. We are entering the season where a good amount of the country could be using their furnaces are AC depending on the year. This adds an element of weather watching for traders.

Speaking of traders, the front month (Nov) gas contract is indicating around \$3.20 this morning. Considering it opened the week around \$2.85, that is an impressive move. While the electricity world is dominated by the natural gas market, we have to keep one eye on the oil market. As impressive as the natural gas move was this week, oil had almost an identical inverse move (see chart below). While the fundamental news in natural gas this week could warrant a sharp increase in trader mentality, oil might have also been a catalyst. Though not as popular as in the past, oil/gas has always been a pairs trade candidate for commodity funds. A pairs trade is where you are long one of the commodities and short the other. In the past, sharp movements in one, usually meant the same for the other as the reciprocal trade needed to be made. As noted above, we believe this trade has gotten less popular (mostly because it's been a career ender in the past), but it is worth keeping an eye on oil prices.

This week Germany announced they were keeping a stable of coal plants active for the winter. A concern of gas disruption or draw down was given for the reasoning. "The supply reserve will be reactivated in order to save gas in electricity generation and thus prevent supply bottlenecks with gas in the 2023/2024 heating period," the government said.

Technical analysis isn't always part of our day-to-day market study, but we do find value in it. Looking at the around the clock calendar strips below, both PJM and MISO have started to break out above a trend line dating back to the spring lows. Looking back a little further, the \$50 level is important as a triple top was established. There is some more work to do, but if the market gets there and breaks out, it could be off to the races.



COMMODITIES PRICING (\$/MMBtu)

Henry HUB Nat Gas	10/6/2023	\$3.27
WTI Crude Oil	10/6/2023	\$82.16

