

**Early Morning Update:**

The Dec18 natural gas contract is trading up \$0.14 at \$3.93. The Dec18 crude contract is down \$1.38 at \$58.55.

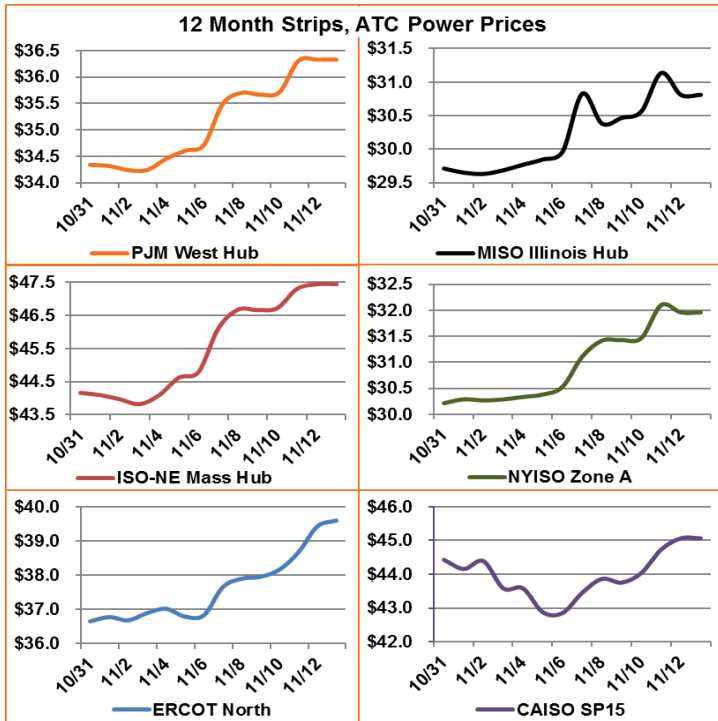
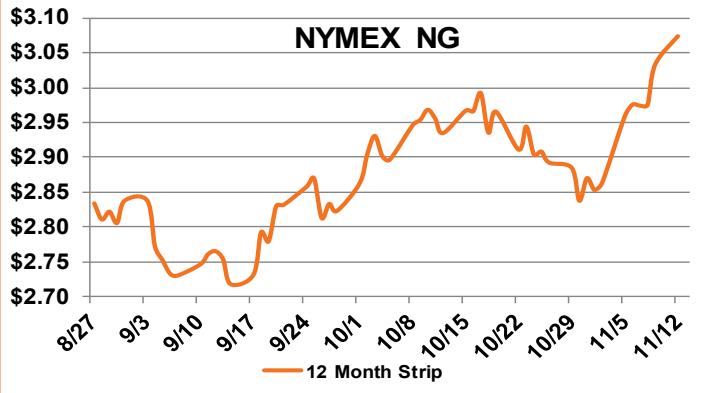
**Summary:** The market continued its climb in the first trading session of the week, gaining ground in the first quarter of 2019 on solid demand growth. The December prompt month rose nearly seven cents to \$3.788/MMBtu, the 12-month strip gained four cents to \$3.074, 2019 settled up 3.6 cents at \$3.007, and 2020 inched up 2.3 cents to \$2.723. Temperatures across the eastern half of the country are significantly below normal, and will remain through at least the next ten days. This unexpected turn of cold is likely placing fear on the amount of gas that will be available in storage by the end of the winter months. Residential demand has increased nearly 50% in the last week, and, with stagnant supply at 85 Bcf/d, is likely to cause the first withdrawal from storage to be much higher than is typical. Adding to demand is the imminent first LNG tanker to leave the newly commissioned Corpus Christi facility, which can expect liquefaction of around 0.6 Bcf/d at capacity.

**Bullish Factors**

- High power burns
- LNG exports ramping up
- Lowest EOS storage level in decade

**Bearish Factors**

- Record NG production
- Growing renewable energy generation
- Higher associated gas production



**Next Day On-Peak Power (traded for 11/13/2018)**

<b>ISO-NE Mass Hub</b> \$49.74	<b>MISO Indiana Hub</b> \$47.67	<b>NYISO Zone G</b> \$41.40
<b>PJM West Hub</b> \$44.55	<b>ERCOT North</b> \$46.00	<b>CAISO SP15</b> \$50.00
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
<b>Dec-18</b>	3.788	0.069
<b>Jan-19</b>	3.800	0.079
<b>12 Month</b>	3.074	0.041
<b>Cal 19</b>	3.007	0.036
<b>Cal 20</b>	2.723	0.024

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	3,208	3,143	3,788	3,829
<b>Diff v. Current</b>		65	-580	-621
<b>% Diff</b>			-15.3%	-16.2%

