

Early Morning Update:

The Dec18 natural gas contract is trading up \$0.11 at \$4.15.
The Dec18 crude contract is up \$1.14 at \$57.60.

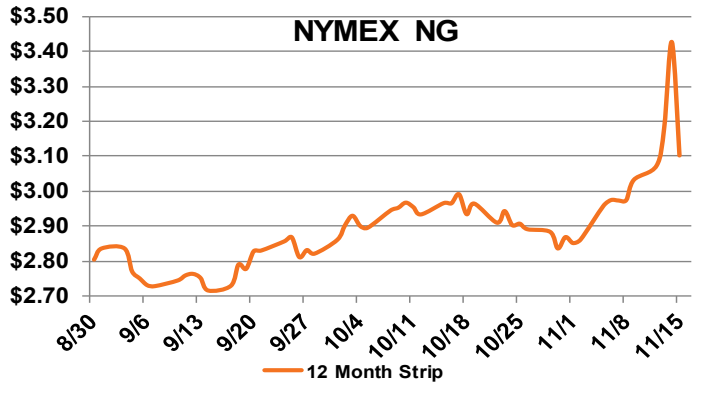
Summary: What goes up must come down? Yesterday, the December natural gas contract completely erased the huge gains seen on Wednesday, as it fell almost 80 cents before settling just slightly above the \$4.00 technical level. The prompt month rose 73.6 cents in its previous trading session, but fell 79.9 cents on Thursday, its biggest day-over-day loss since July 17, 2008, when the prompt month lost 86.1 cents. The December futures contract had risen more than a dollar this week, and is still 25 cents higher than where it settled on Monday. The fall yesterday had little to do with the U.S. Energy Information Administration's weekly storage report, and more to do with overbought conditions leading up to Thursday's slide. The EIA reported a 39 Bcf build for the week to Nov. 9, which was just slightly better than the 38 Bcf consensus of market estimates, but much higher than the 19 Bcf five-year average injection. This was the final build of the season, and storage levels sit at 3,247 Bcf heading into winter, a 15.6% deficit to the five-year average. The market is expecting its first withdrawal next week, currently projected to be 112 Bcf.

Bullish Factors

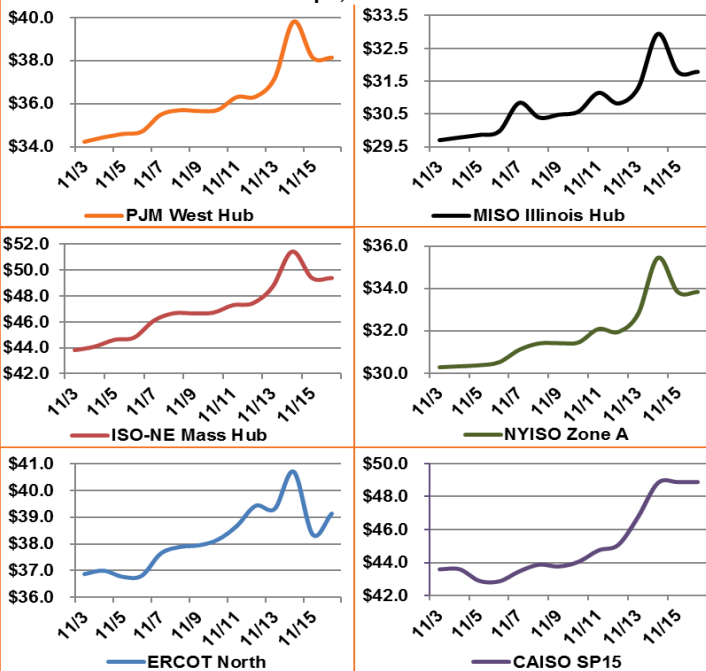
- High power burns
- LNG exports ramping up
- Lowest EOS storage level in decade

Bearish Factors

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



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 11/16/2018)

ISO-NE Mass Hub \$63.98	MISO Indiana Hub \$42.99	NYISO Zone G \$53.66
PJM West Hub \$45.63	ERCOT North \$37.00	CAISO SP15 \$96.17
NYMEX NG		
	Close	Change
Dec-18	4.038	-0.799
Jan-19	4.043	-0.855
12 Month	3.103	-0.324
Cal 19	3.008	-0.260
Cal 20	2.666	-0.019

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,247	3,208	3,775	3,848
Diff v. Current		39	-528	-601
% Diff			-14.0%	-15.6%

