

Early Morning Update:

The Dec18 natural gas contract is trading down \$0.07 at \$4.63.
The Dec18 crude contract is down \$0.95 at \$56.25.

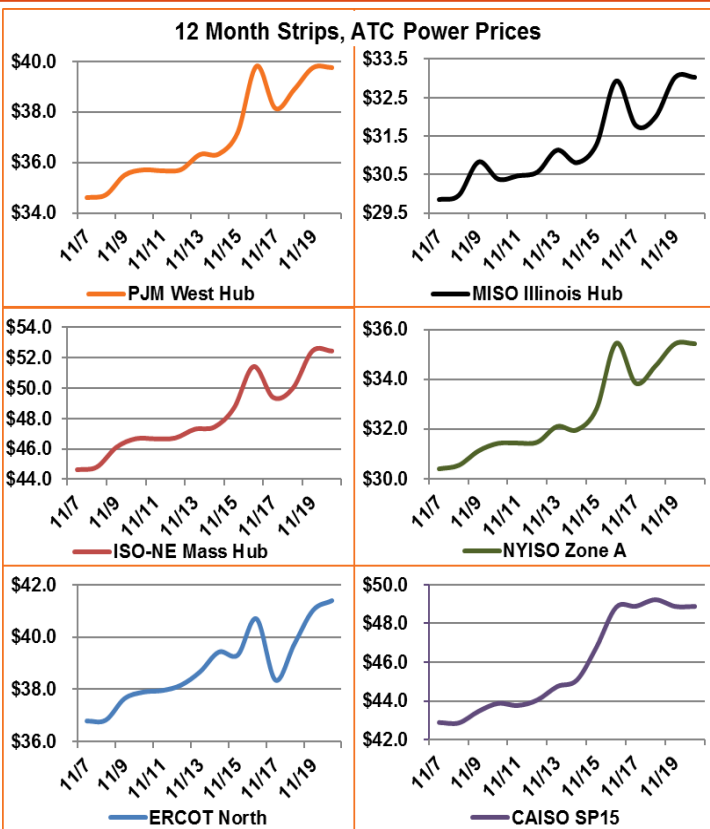
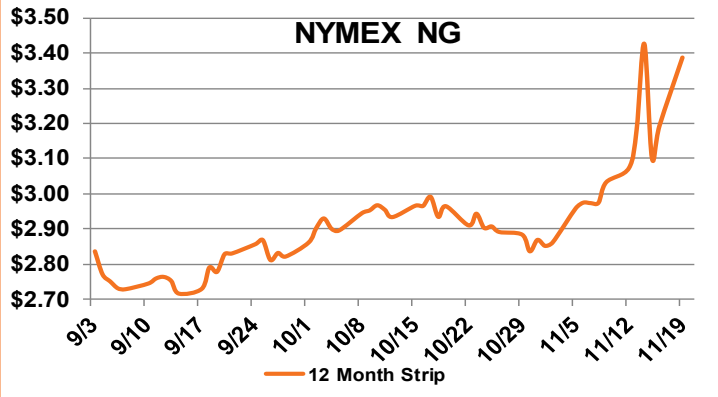
Summary: Sustained volatility in the winter months dominated the market on Monday, as the Dec18-Mar19 strip rose 43 cents to \$4.57/MMBtu. In addition to the rising winter strip, April 2019 gained over 20 cents on Monday, as well, settling above the \$3 mark at \$3.06. The 2019 year closed up 16 cents at \$3.24, and 2020 stayed essentially flat at \$2.66. Lower-than-normal temperatures look to spread across the country through the end of the month, lending itself to continued volatility when paired with meager storage numbers. Production remains strong near 85 Bcf/d, but nearly all of the increase year-over-year is being utilized to meet higher demand, led by higher residential and commercial demand (4.7 Bcf/d above 2017) and exports (1.7 Bcf/day higher than 2017).

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

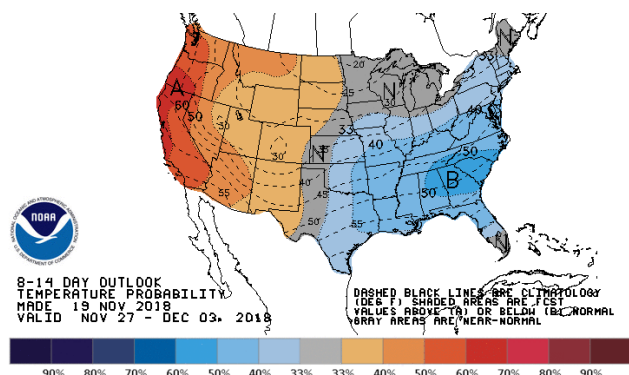
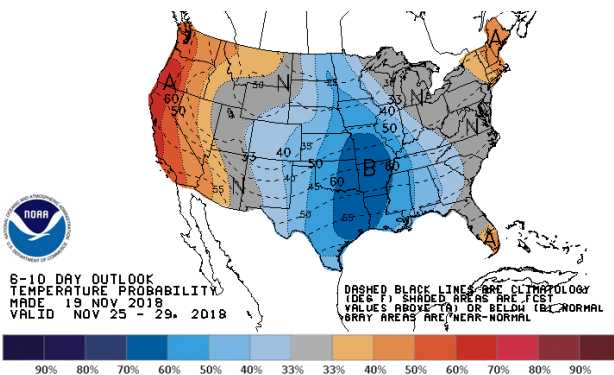


Next Day On-Peak Power (traded for 11/20/2018)

ISO-NE Mass Hub \$106.25	MISO Indiana Hub \$41.75	NYISO Zone G \$52.88
PJM West Hub \$40.30	ERCOT North \$36.83	CAISO SP15 \$65.23
NYMEX NG		
	Close	Change
Dec-18	4.700	0.428
Jan-19	4.712	0.421
12 Month	3.387	0.193
Cal 19	3.240	0.160
Cal 20	2.661	-0.004

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%



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