

Early Morning Update:

The Dec18 natural gas contract is trading up \$0.17 at \$4.43.
The Jan19 crude contract is down \$0.41 at \$51.15.

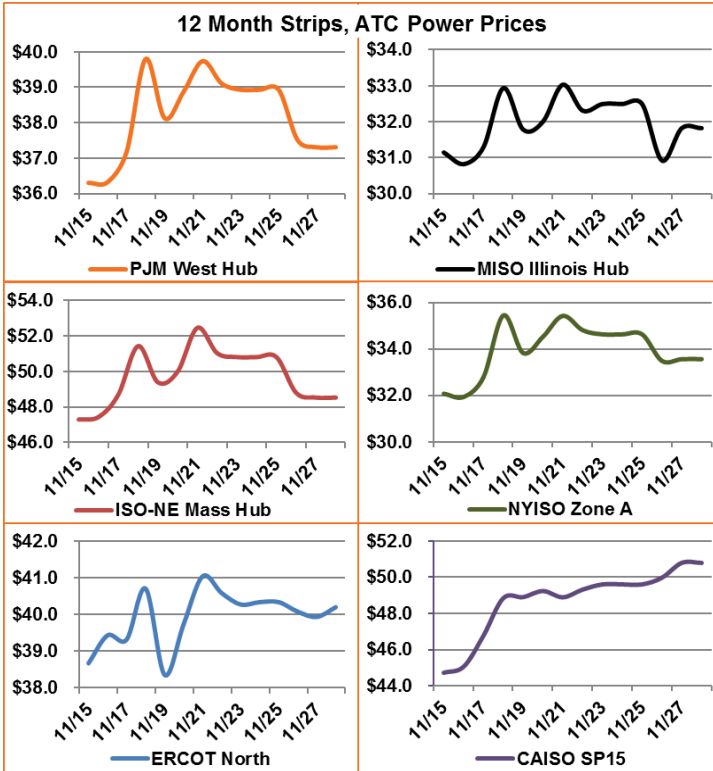
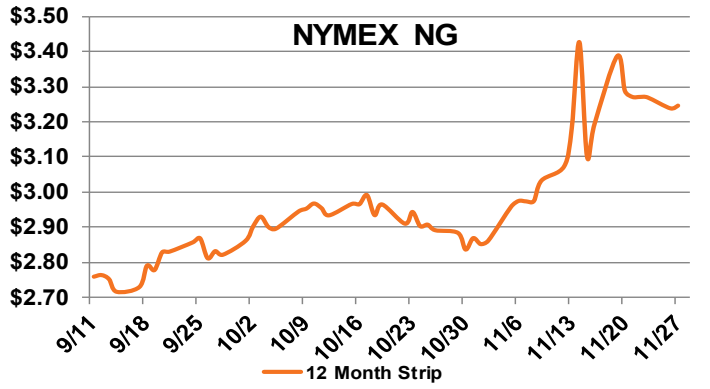
Summary: We saw another unpredictable day in the NYMEX natural gas market yesterday, where the December prompt month contract traded on both sides of the line. During the day, the December contract was once as low as \$4.104/MMBtu, before ultimately settling at \$4.262/MMBtu, 1.4 cents higher than Monday's settlement. While natural gas production set back-to-back record highs on Sunday and Monday, the market appears to be more concerned with this year's drastic start to the winter heating season. This has been the coldest November dating back to 2014. A cold November, combined with the current natural gas storage deficit, has the market concerned for the upcoming winter season. However, if the cold weakens, most analysts believe winter prices could fall back below \$4. Today is the last day to trade the December 2018 contract, with January making its debut as the prompt month on Thursday.

Bullish Factors

- Cold weather
- 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 11/28/2018)

ISO-NE Mass Hub \$60.31	MISO Indiana Hub \$47.81	NYISO Zone G \$41.98
PJM West Hub \$47.70	ERCOT North \$29.15	CAISO SP15 \$61.75
NYMEX NG		
	Close	Change
Dec-18	4.262	0.014
Jan-19	4.292	-0.007
12 Month	3.246	0.008
Cal 19	3.139	0.010
Cal 20	2.665	0.012

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,113	3,247	3,733	3,823
Diff v. Current		-134	-620	-710
% Diff			-16.6%	-18.6%

