

**Early Morning Update:**

The Jan19 natural gas contract is trading down \$0.13 at \$4.57. The Jan19 crude contract is up \$0.81 at \$51.10.

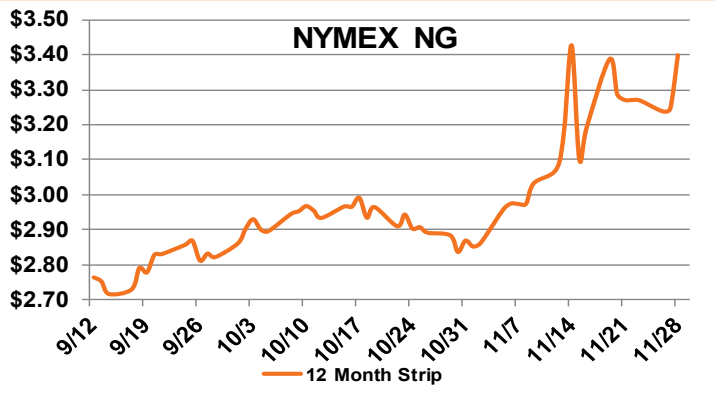
**Summary:** December 2018 NYMEX natural gas contract gained another 45.3 cents yesterday to settle at \$4.715/MMBtu. Today, the U.S. Energy Information Administration is expected to report a 73 Bcf withdrawal for the week ended November 23, according to a survey of analysts by S&P Global Platts. A 73 Bcf draw would be more than the 35 Bcf withdrawal in the corresponding week last year, as well as the five-year average pull of 49 Bcf. The EIA reported a staggering 134 Bcf withdrawal for the week ended November 16, thus, shrinking inventories to 3.113 Tcf, which was 16.6% less than the year-ago inventory of 3.733 Tcf, and 18.6% less than the five-year average of 3.823 Tcf. On Tuesday, intraday demand hit 106.74 Bcf/d to establish a new intraday max demand for November. Wednesday looks to be last day of below-normal temperatures for the eastern half of the U.S. before we hit about a week of normal to above-normal temps for the eastern region. However, this is followed by another cold blast that covers most of the nation. Record-setting average monthly demand this month of 90.9 Bcf is significantly above the 5-year average of 77.2 Bcf/d. Any similar stretches of cold in December will not only push demand further up, but also increase the storage deficit and further intensify an already volatile NYMEX market.

**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 11/29/2018)**

ISO-NE Mass Hub \$58.50	MISO Indiana Hub \$48.54	NYISO Zone G \$45.00
PJM West Hub \$45.01	ERCOT North \$34.00	CAISO SP15 \$61.00
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
Dec-18	4.715	0.453
Jan-19	4.699	0.407
12 Month	3.399	0.152
Cal 19	3.256	0.117
Cal 20	2.685	0.020

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

