

**Early Morning Update:**

The Jan19 natural gas contract is trading down \$0.08 at \$4.56.  
The Jan19 crude contract is down \$0.90 at \$50.55.

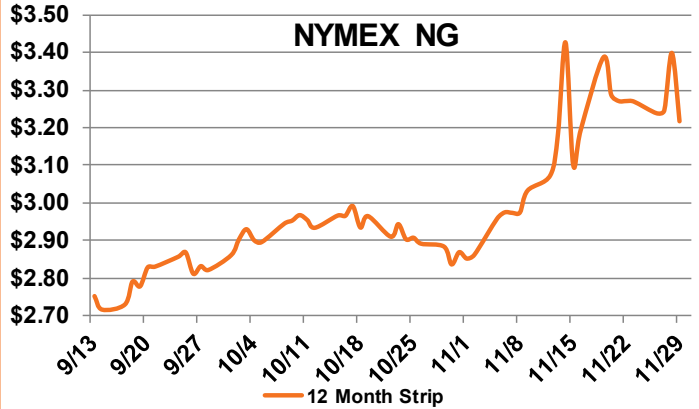
**Summary:** More market volatility as the NG prompt month contract (now Jan '19) traded in a \$.22 range before ending the day down \$.053 to close at \$4.646. The market dropped sharply after the EIA reported a smaller-than-expected draw from storage of 59 Bcf, but rebounded and ticked higher throughout the afternoon. Weather forecasts have also been volatile with the latest showing a brief warm-up this weekend followed by another round of below-average temperatures. The colder temps are drawing storage levels down and the latest estimate for end/winter forecasts storage levels to be ~1.33 Tcf. Looking ahead, estimates for the next three weeks of reports are -68, -60 and -95. The forecasted deficit after those draws would then be 19%.

**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 11/30/2018)**

|                                   |                                    |                                |
|-----------------------------------|------------------------------------|--------------------------------|
| <b>ISO-NE Mass Hub</b><br>\$57.50 | <b>MISO Indiana Hub</b><br>\$41.37 | <b>NYISO Zone G</b><br>\$44.90 |
| <b>PJM West Hub</b><br>\$38.82    | <b>ERCOT North</b><br>\$31.69      | <b>CAISO SP15</b><br>\$61.00   |
| <b>NYMEX NG</b>                   | <b>Close</b>                       | <b>Change</b>                  |
| Jan-19                            | 4.646                              | -0.053                         |
| Feb-19                            | 4.482                              | -0.056                         |
| 12 Month                          | 3.217                              | -0.039                         |
| Cal 19                            | 3.217                              | -0.039                         |
| Cal 20                            | 2.660                              | -0.025                         |

**EIA Natural Gas Storage**

| EIA Reported Storage (Bcf) | This Week | Last Week | Last Year | 5-Year Avg. |
|----------------------------|-----------|-----------|-----------|-------------|
| <b>Total</b>               | 3,054     | 3,113     | 3,698     | 3,774       |
| <b>Diff v. Current</b>     |           | -59       | -644      | -720        |
| <b>% Diff</b>              |           |           | -17.4%    | -19.1%      |

