

Early Morning Update:

The Jan19 natural gas contract is trading down \$0.30 at \$4.31. The Jan19 crude contract is up \$2.57 at \$53.50.

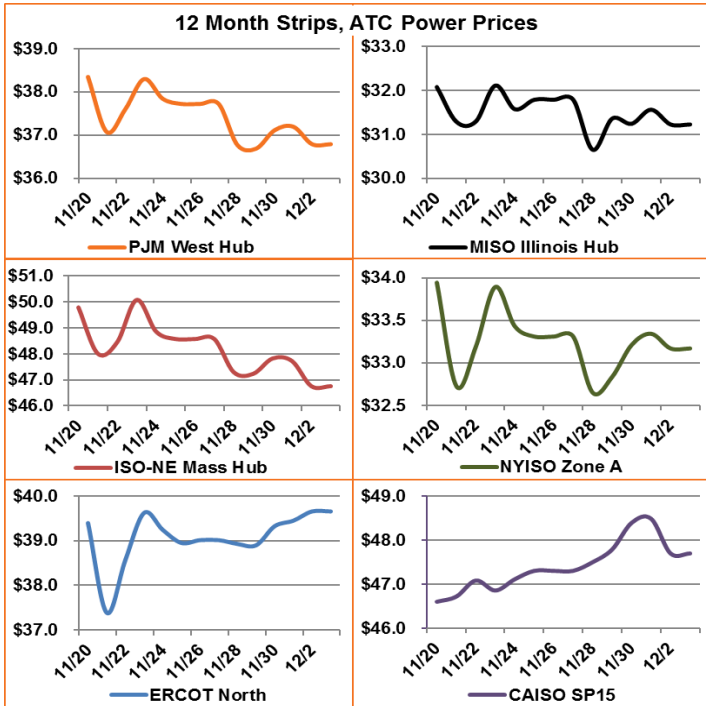
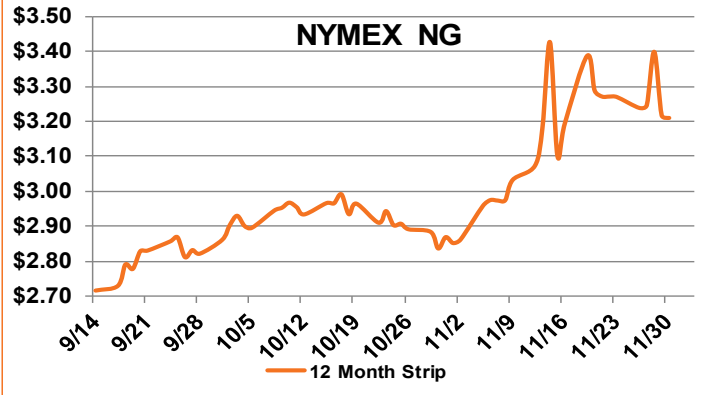
Summary: On Friday, the January 2019 NYMEX natural gas futures price dipped lower by 3.4 cents on the day to settle at \$4.612/MMBtu. The prompt month remains volatile and was rangebound throughout the day between \$4.473 and \$4.776/MMBtu. Last week, the EIA reported a smaller-than-expected withdrawal from storage of 59 Bcf, but was still greater than last year's -35 Bcf, as well as the -49 Bcf five-year average. The month of November came in as the ninth coldest on record nationally since 1950, and was the coldest we have seen since 2014. Weather forecasts have turned colder in the 1-5 day outlook, showing cooler temps blanketing the country. Looking further in the month, however, we do see warmer-than-normal temps return to the East, and then the northern half of the country through Dec 22nd. With pricing for this winter remaining highly weather-sensitive, the blanket of cold over the next couple of weeks could provide more upward risk to prices. On Friday, U.S. dry production hit a new record of 86.7 Bcf/d, but is currently lower, closer to 86 Bcf/d.

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 12/3/2018)

ISO-NE Mass Hub \$52.00	MISO Indiana Hub \$43.05	NYISO Zone G \$40.68
PJM West Hub \$38.23	ERCOT North \$37.26	CAISO SP15 \$91.73
NYMEX NG	Close	Change
Jan-19	4.612	-0.034
Feb-19	4.419	-0.063
12 Month	3.210	-0.007
Cal 19	3.210	-0.007
Cal 20	2.670	0.009

EIA Natural Gas Storage

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

