

**Early Morning Update:**

The Jan19 natural gas contract is trading up \$0.22 at \$4.56.  
The Jan19 crude contract is up \$0.75 at \$53.70.

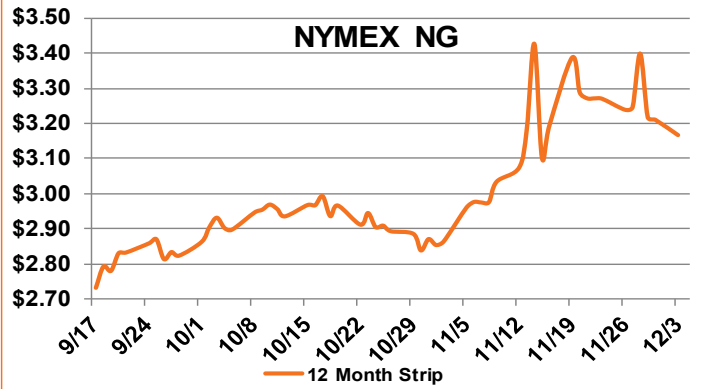
**Summary:** Winter prices took a slide yesterday, as weather forecasts continue to be the primary factor in market movements. The January prompt month dropped 27 cents to \$4.339/MMBtu, but, while the 2019 calendar year lost an average of four cents to \$3.166, outside of the winter months, April-December 2019 rose an average of three cents. 2020 gained a penny to \$2.684, and 2021 went down a cent to \$2.632. The forecast for the second half of December shows prevalent warmer-than-normal temperatures stretching across much of the Northeast and Midwest, hopefully slackening heating demand for the last few weeks of the year. However, other sources of demand could prove to make up a potential heating demand dip. Exports to Mexico and LNG sendouts have been creeping higher, with Texas sending more gas to Mexico and the Corpus Christi LNG facility in operation.

**Bullish Factors**

- Cold weather
- LNG exports ramping up
- Lowest EOS storage level in decade

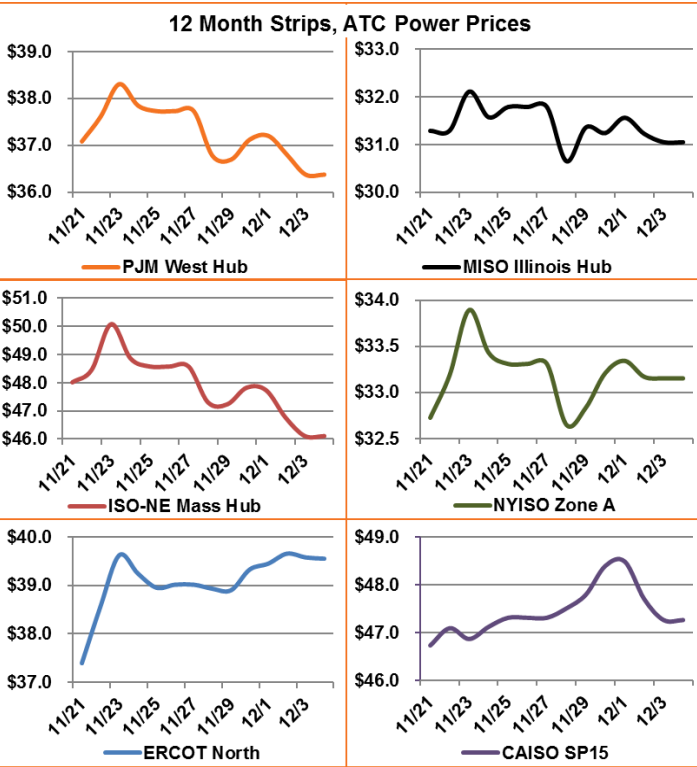
**Bearish Factors**

- Record NG production
- Growing renewable energy generation
- Higher associated gas production



**Next Day On-Peak Power (traded for 12/4/2018)**

<b>ISO-NE Mass Hub</b> \$86.63	<b>MISO Indiana Hub</b> \$47.95	<b>NYISO Zone G</b> \$46.94
<b>PJM West Hub</b> \$45.23	<b>ERCOT North</b> \$41.90	<b>CAISO SP15</b> \$110.47
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
<b>Jan-19</b>	4.339	-0.273
<b>Feb-19</b>	4.157	-0.262
<b>12 Month</b>	3.166	-0.044
<b>Cal 19</b>	3.166	-0.044
<b>Cal 20</b>	2.684	0.015



**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<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%

