

**Early Morning Update:**

The Jan19 natural gas contract is trading down \$0.04 at \$4.45.  
The Jan19 crude contract is down \$1.21 at \$51.40.

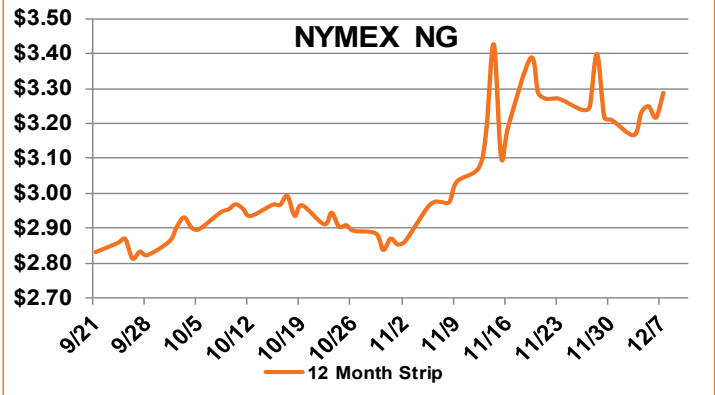
**Summary:** On Friday, the January 2018 NYMEX natural gas futures price surged 16.1 cents on the day to settle at \$4.488/MMBtu. The prompt month remains volatile and was rangebound throughout the day between \$4.231/MMBtu and \$4.570/MMBtu. Following this trend, both February and March contracts moved higher, up 16.1 and 23.1 cents, respectively, after a storage withdrawal was reported on Friday that was close to the five-year average pull, but larger than expected. Over the past few days, we have seen bolstered total U.S. demand for natural gas up 21 Bcf/d compared to this time last year, and is expected to climb. The 6-10 and 11-15 day weather forecasts are predicting much warmer-than-normal temperatures to blanket the majority of the country, and are expected to linger along the East Coast, a major demand center for natural gas, through the end of December. Colder temps begin to creep in during the last week of the month for the western half of the country. Total U.S. dry production has fallen from its record highs, hovering just below 86 Bcf/d. There is some fear that if supply continues to stall and demand ramps up, downside risk will be limited for winter pricing.

**Bullish Factors**

- Cold weather
- LNG exports ramping up
- Low storage levels

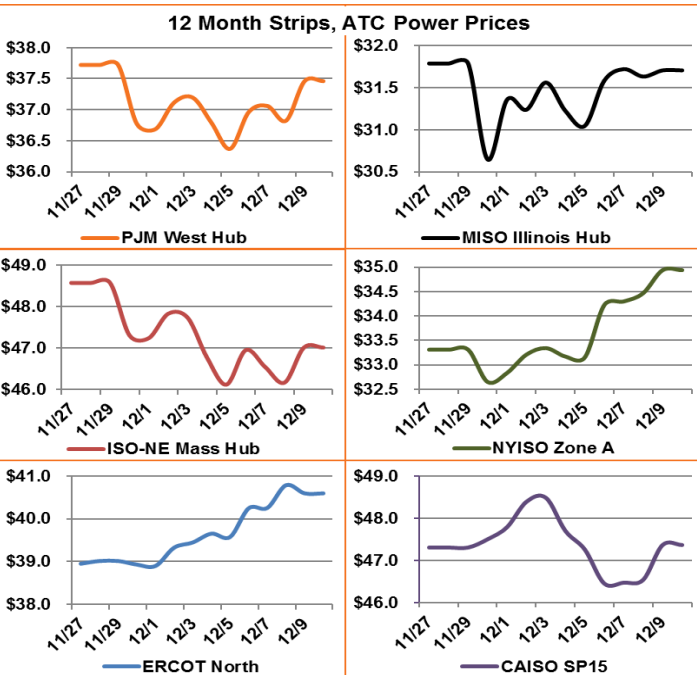
**Bearish Factors**

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



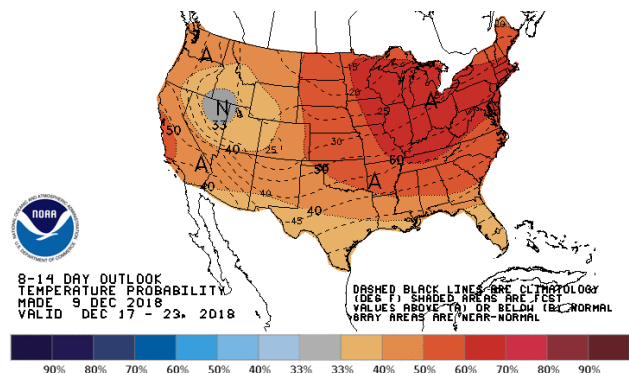
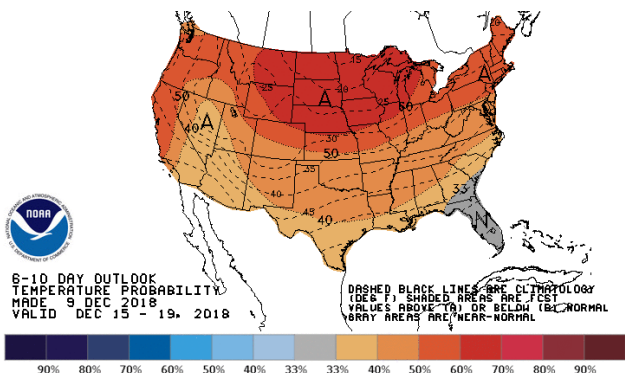
**Next Day On-Peak Power (traded for 12/10/2018)**

<b>ISO-NE Mass Hub</b> \$67.88	<b>MISO Indiana Hub</b> \$46.57	<b>NYISO Zone G</b> \$52.17
<b>PJM West Hub</b> \$48.52	<b>ERCOT North</b> \$47.98	<b>CAISO SP15</b> \$69.86
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
<b>Jan-19</b>	4.488	0.161
<b>Feb-19</b>	4.378	0.161
<b>12 Month</b>	3.287	0.071
<b>Cal 19</b>	3.287	0.071
<b>Cal 20</b>	2.712	0.018



**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>	2,991	3,054	3,695	3,716
<b>Diff v. Current</b>		-63	-704	-725
<b>% Diff</b>			-19.1%	-19.5%



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