

Early Morning Update:

The Jan19 natural gas contract is trading down \$0.09 at \$4.46.
The Jan19 crude contract is up \$0.70 at \$51.70.

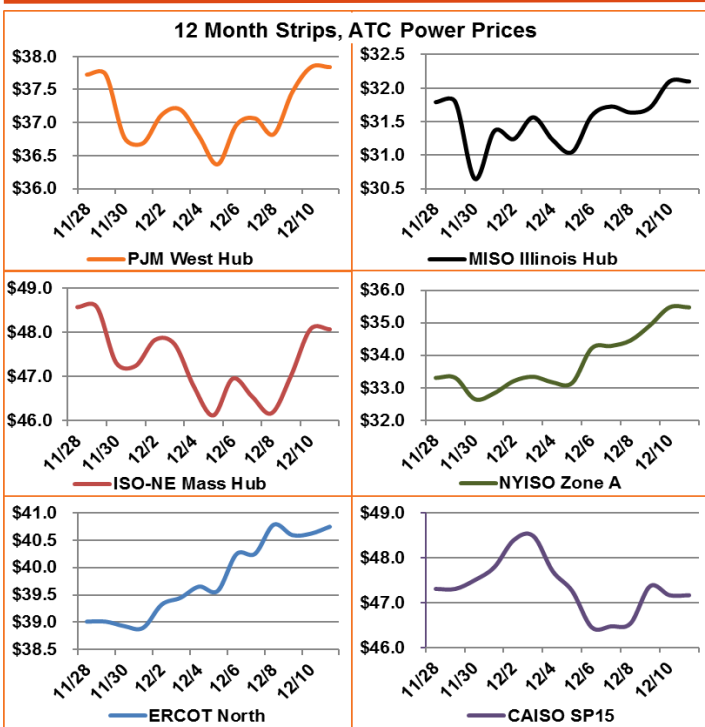
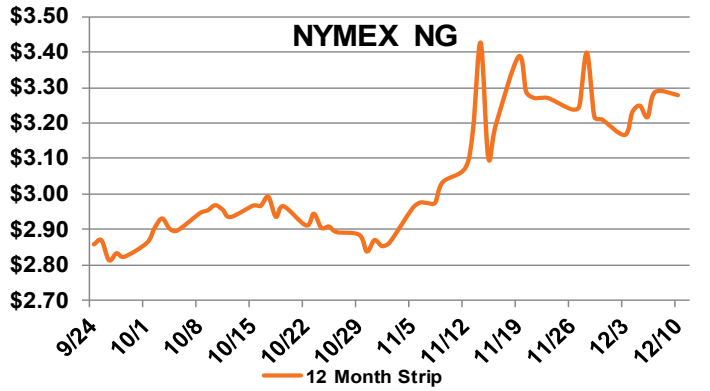
Summary: After a day of choppy movement in Q1'19, the natural gas market ended up settling mostly flat to slightly down, with the exception of the prompt month. January 2019 rose almost six cents to \$4.545/MMBtu, but the remainder of 2019 lost 1-2 cents, with a settle of \$3.278. 2020 moved down less than a penny to \$2.708, and 2021 moved up less than a cent to \$2.64. No major changes in the weather forecast for today, as the last few days of colder weather are displaced with nearly all-encompassing warmth through next week. The East Coast and Northeast look to stay normal or slightly above through the end of the month, helping to moderate heating demand in gas-heavy regions. Production has declined below 85 Bcf/d as of today for the first time since mid-November, with forecasts for the next two weeks around 85.2 Bcf/d. Paired with expected demand to drop by 12% over the next two weeks, this could help steady market fundamentals through the first month of winter.

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 12/11/2018)

ISO-NE Mass Hub \$63.33	MISO Indiana Hub \$47.00	NYISO Zone G \$55.06
PJM West Hub \$49.07	ERCOT North \$30.50	CAISO SP15 \$59.97
NYMEX NG	Close	Change
Jan-19	4.545	0.057
Feb-19	4.360	-0.018
12 Month	3.278	-0.009
Cal 19	3.278	-0.009
Cal 20	2.709	-0.003

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,991	3,054	3,695	3,716
Diff v. Current		-63	-704	-725
% Diff			-19.1%	-19.5%

