

Early Morning Update:

The Jan19 natural gas contract is down \$0.14 at \$4.26.
The Jan19 crude contract is up \$0.98 at \$52.63.

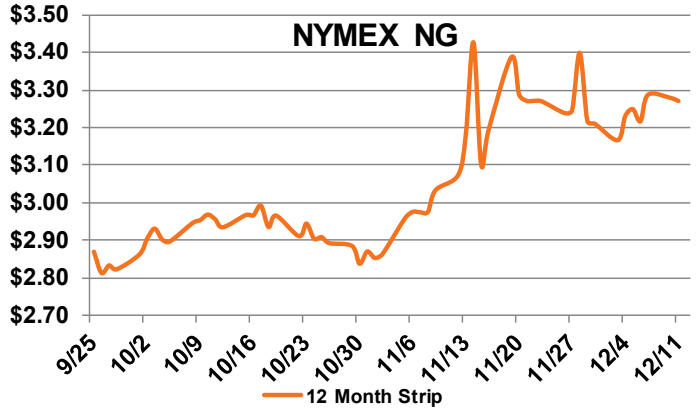
Summary: Yesterday's 13.8 cent loss for the NYMEX NG prompt month contract continued the recent trend of big swings in Winter 2019 NG prices. Over the past thirty days, the prompt month contract has moved +/- ten cents in 13 of the last 21 trading sessions. The January 2019 contract settled at \$4.407/MMBtu yesterday likely due to the National Weather Service maintaining and even increasing their prediction for blanketing warmer-than-normal temperatures in their 6-10 and 8-14 day outlooks as well as natural gas production strength with expectations of even higher production levels in the future. Beyond Q1 2019, there was little change in NG prices. In regulatory news, Bernard McNamee, former executive director of the office of policy at the US Department of Energy, was sworn in to the US Federal Energy Regulatory Commission yesterday to fill Robert Powelson's empty seat. His term will run through June 30, 2020. All five FERC seats are now filled and the next seat set to be up for grabs is Cheryl LaFleur's, whose term runs through June 2019.

Bullish Factors

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

Bearish Factors

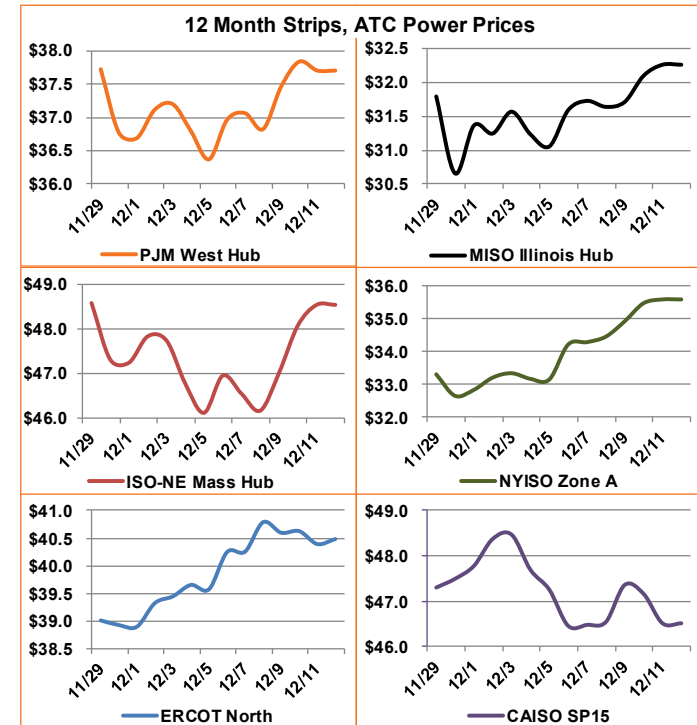
- Record NG production
- Weather forecasts turning warmer
- Higher associated gas production



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

ISO-NE Mass Hub \$75.97	MISO Indiana Hub \$42.83	NYISO Zone G \$50.59
PJM West Hub \$42.43	ERCOT North \$35.19	CAISO SP15 \$57.75

NYMEX NG	Close	Change
Jan-19	4.407	-0.138
Feb-19	4.258	-0.102
12 Month	3.271	-0.008
Cal 19	3.271	-0.008
Cal 20	2.713	0.004



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%

