

Early Morning Update:

The Jan19 natural gas contract is trading down \$0.21 at \$3.63.
The Jan19 crude contract is up \$0.56 at \$46.80.

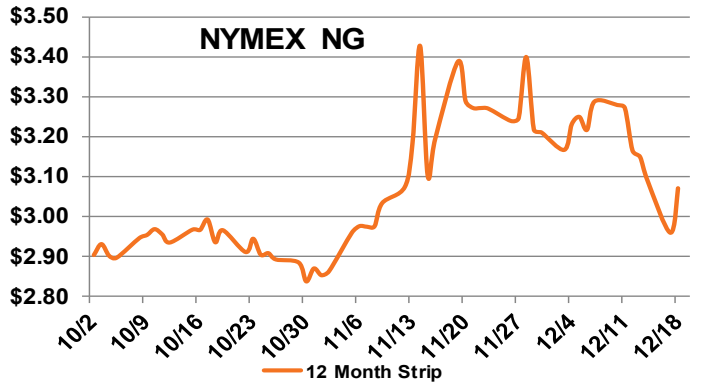
Summary: After falling throughout last week and Monday, NYMEX natural gas rebounded, gaining 31 cents on Tuesday to close at \$3.838/MMBtu. The first quarter of 2019 followed suit, gaining 28 cents, which dragged the 2019 calendar strip back above the \$3 mark, closing at \$3.07/MMBtu, a gain of 11 cents. The abrupt halt to the week-long \$1 decline from last Monday had a lot to do with revisions to the 16-20 day weather forecasts, that are now calling for colder-than-average temperatures across the eastern and southern United States to kick off January. This was a swing of nearly eight degrees for some regions, as previous forecasts had predicted that the warmer-than-average December temperatures would continue into next month. Should these forecasts hold out, the resulting increase in ResComm heating demand would put further strain on the already large deficit to natural gas storage inventories.

Bullish Factors

- Strong LNG exports
- Exports to Mexico
- Low storage levels

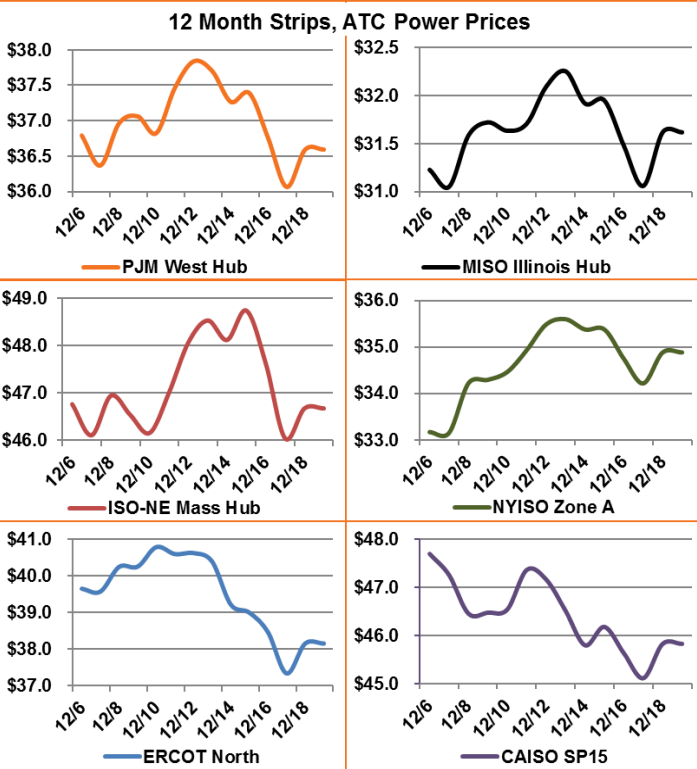
Bearish Factors

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



Next Day On-Peak Power (traded for 12/19/2018)

ISO-NE Mass Hub \$49.37	MISO Indiana Hub \$37.50	NYISO Zone G \$43.04
PJM West Hub \$37.15	ERCOT North \$31.50	CAISO SP15 \$48.70
NYMEX NG		
	Close	Change
Jan-19	3.838	0.310
Feb-19	3.742	0.289
12 Month	3.070	0.112
Cal 19	3.070	0.112
Cal 20	2.702	0.015



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,914	2,991	3,636	3,637
Diff v. Current		-77	-722	-723
% Diff			-19.9%	-19.9%

