

Early Morning Update:

The Jan19 natural gas contract is trading up \$0.12 at \$3.70.
The Feb19 crude contract is down \$0.42 at \$45.46.

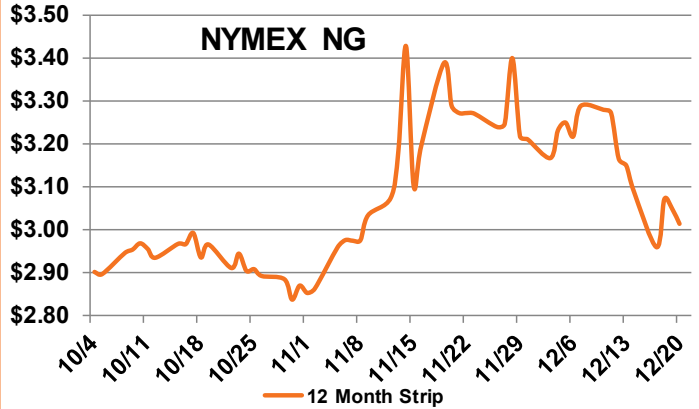
Summary: Another volatile day in the NYMEX yesterday with a large swing in the prompt month. Prices opened the day much higher, reaching \$3.938 at one point, before dropping throughout the day to close at \$3.583. The EIA reported a draw of -141 Bcf, which was not a bearish report so the drop is somewhat difficult to understand. But it does highlight the volatility at the front of the curve, and the speed at which prices change direction. Weather forecasts certainly haven't trended bearish as the temps into the second week of January are trending cooler than normal, as is the case again this morning. For now though, we're expecting milder conditions through the end of the year, and expectations for the next two storage reports reflect that. A draw in the mid 40's is expected for next week, and one in the low 60's for the following week. The next storage report will be delayed one day to Friday at 10:30 ET due to the holidays.

Bullish Factors

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

Bearish Factors

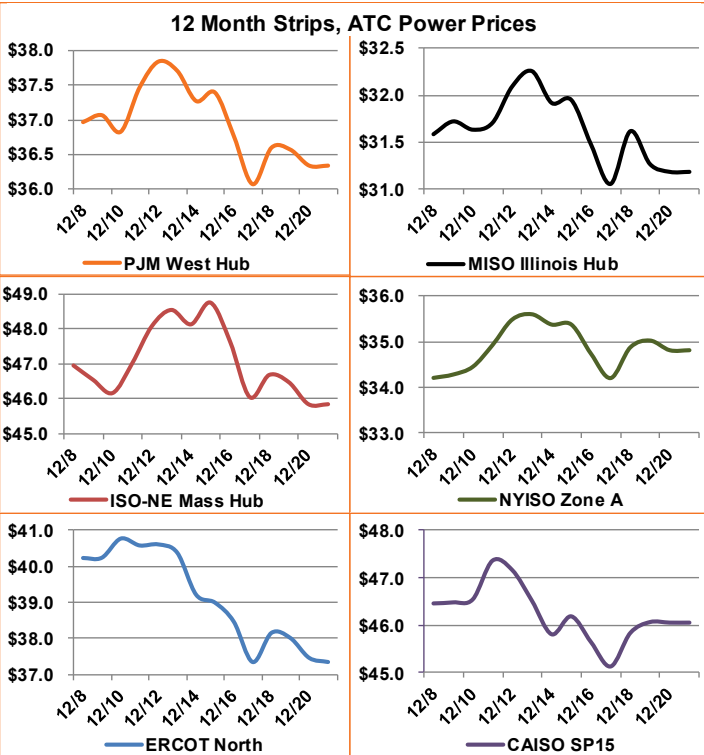
- Record NG production
- Weather forecasts turning warmer
- Higher associated gas production



Next Day On-Peak Power (traded for 12/21/2018)

ISO-NE Mass Hub \$35.33	MISO Indiana Hub \$34.54	NYISO Zone G \$33.04
PJM West Hub \$30.12	ERCOT North \$33.42	CAISO SP15 \$43.71

NYMEX NG	Close	Change
Jan-19	3.583	-0.143
Feb-19	3.526	-0.127
12 Month	3.013	-0.036
Cal 19	3.013	-0.036
Cal 20	2.699	-0.004



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,773	2,914	3,470	3,493
Diff v. Current		-141	-697	-720
% Diff			-20.1%	-20.6%

