

Early Morning Update

The Dec19 natural gas contract is trading down \$0.14 at \$2.65. The Dec19 crude oil contract is down \$0.64 at \$56.60.

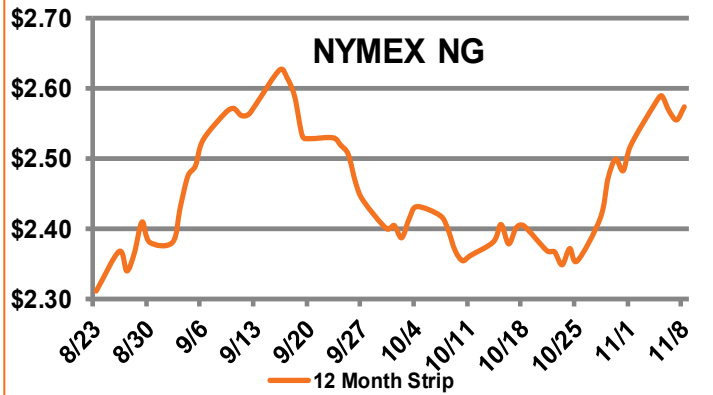
Summary: On Friday, the December 2019 NYMEX natural gas futures price gained 1.7 cents, settling at \$2.789/MMBtu, up almost eight cents week-over-week. This followed the EIA's storage report that was much less than the market anticipated, (43 Bcf), coming in at just 34 Bcf. The storage report was the first injection in the past 15 weeks that was lower than, both, last year's injection and the five-year average. The first half of November weather has been very cold, similar to the chill we saw last year, but in the latter half of the month, which had led to a significant run-up to the Dec18 settlement price. However, that may not be the case this year due to significant warming in the forecasts for the last week of November into December. LNG and exports to Mexico remain at record levels, and are not expected to slow down as new trains continue to come online, and the Sur de Texas pipeline flows climb. U.S. dry production is averaging just over 91.0 Bcf/d, down from its record set earlier this month.

Bullish Factors

- Record LNG exports
- Growing NG exports to Mexico
- Cold temps

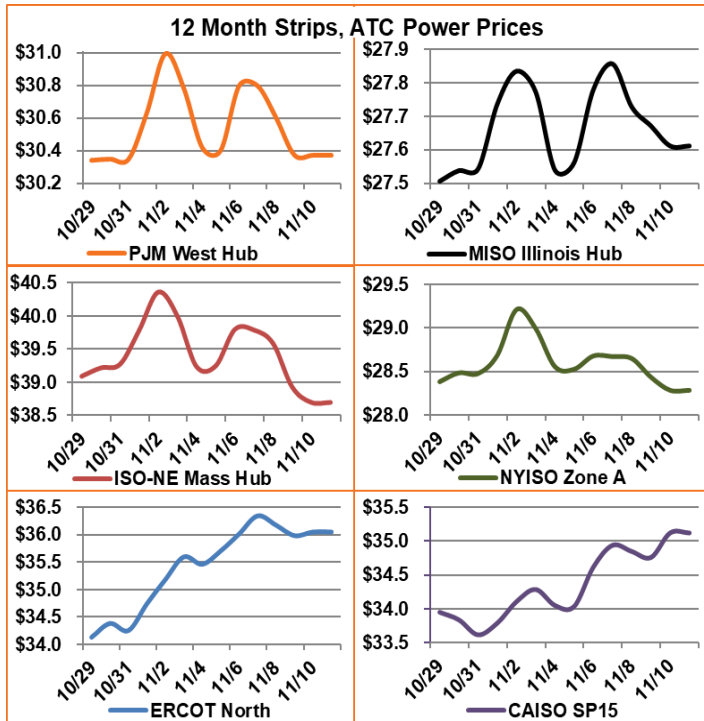
Bearish Factors

- Record NG production
- Higher associated gas production
- Healthy storage levels



Next Day On-Peak Power (traded for 11/11/2019)

ISO-NE Mass Hub \$35.67	MISO Indiana Hub \$37.10	NYISO Zone G \$29.22
PJM West Hub \$32.49	ERCOT North \$20.74	CAISO SP15 \$51.30
NYMEX NG		
	Close	Change
Dec-19	2.789	0.017
Jan-20	2.873	0.014
12 Month	2.573	0.019
Cal 20	2.567	0.019
Cal 21	2.485	0.009



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,729	3,695	3,199	3,700
Diff v. Current		34	530	29
% Diff			16.6%	0.8%

