

Early Morning Update

The Dec19 natural gas contract is trading down \$0.02 at \$2.60. The Dec19 crude oil contract is down \$0.40 at \$56.40.

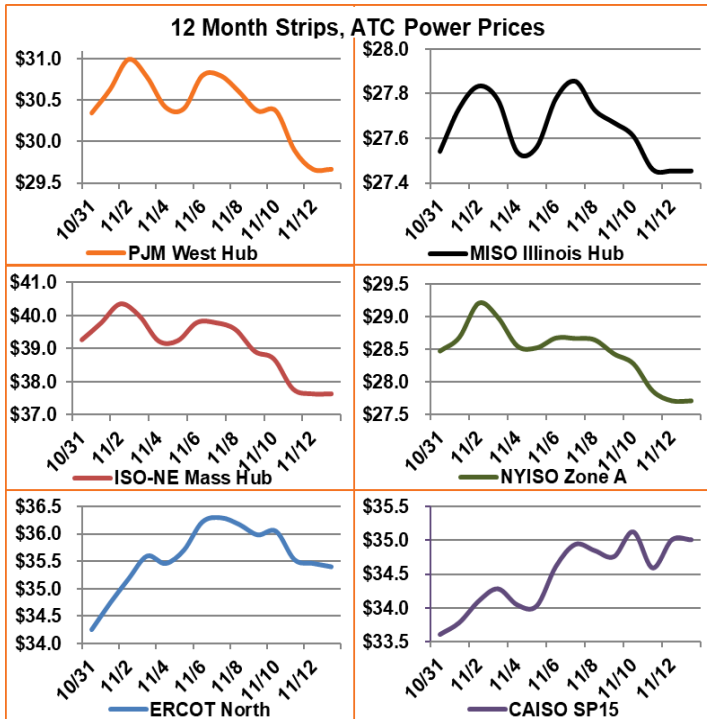
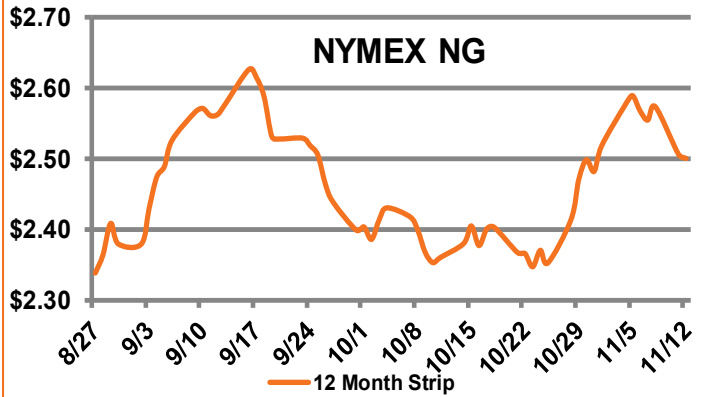
Summary: The NYMEX natural gas prompt month contract shed \$0.016 yesterday, opening the trading day at \$2.637/MMBtu and closing at \$2.621/MMBtu. Total natural gas demand peaked at 126.1 Bcf/day yesterday, Nov. 12th, the highest level since early March 2019. Residential/commercial heating demand, as well as power burn, were the largest drivers of total demand yesterday. However, as temperatures are expected to moderate through the rest of the week, demand is expected to soften. Natural gas production remains strong, averaging 92.1 Bcf/day so far for the month of November, a 5.1 Bcf/day increase vs. November 2018. Looking ahead, tomorrow's EIA storage report is expected to report one last injection before flipping to withdrawals for the heating season. The end-of-season storage level is estimated to be 3,738 Bcf.

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 11/13/2019)

ISO-NE Mass Hub \$58.89	MISO Indiana Hub \$40.34	NYISO Zone G \$53.70
PJM West Hub \$52.80	ERCOT North \$40.00	CAISO SP15 \$43.07
NYMEX NG		
	Close	Change
Dec-19	2.621	-0.016
Jan-20	2.714	-0.014
12 Month	2.500	-0.006
Cal 20	2.507	-0.005
Cal 21	2.479	-0.003

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%

