

Early Morning Update

The Dec19 natural gas contract is trading down \$0.09 at \$2.60. The Dec19 crude oil contract is down \$0.42 at \$57.30.

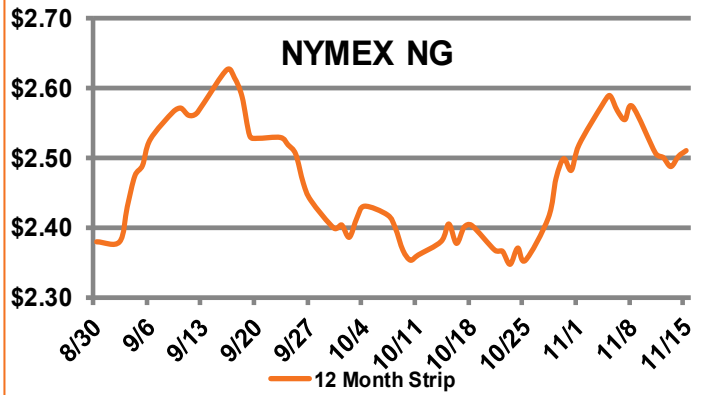
Summary: On Friday, the December 2019 NYMEX natural gas futures price ticked up 4.1 cents to settle the day at \$2.688/MMBtu. Earlier this month, we saw temperatures that we had not seen since March of this year, leading to a significant run-up in natural gas demand levels. However, after the first bite of cold this month, weather forecasts have moderated, bringing total U.S. demand back down, especially for heating demand in the res-comm sector. Due to the frigid temps, the EIA reported its final injection into storage of just 3 Bcf, which was much smaller than, both, last year and the five-year average benchmarks, 30 Bcf and 42 Bcf, respectively. Weather forecasts have moderated over the weekend, showing most of the cooler-than-normal temps retreating from the majority of the country, and warmer-than-normal temps returning to the western half of the country. The eastern half of the country looks to be fairly normal into the beginning of December, which could mean a little more relief for heating demand. U.S. dry production remains at healthy levels, averaging just over 92.0 Bcf/d so far for November, just slightly lower than the record set at the beginning of the month.

Bullish Factors

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

Bearish Factors

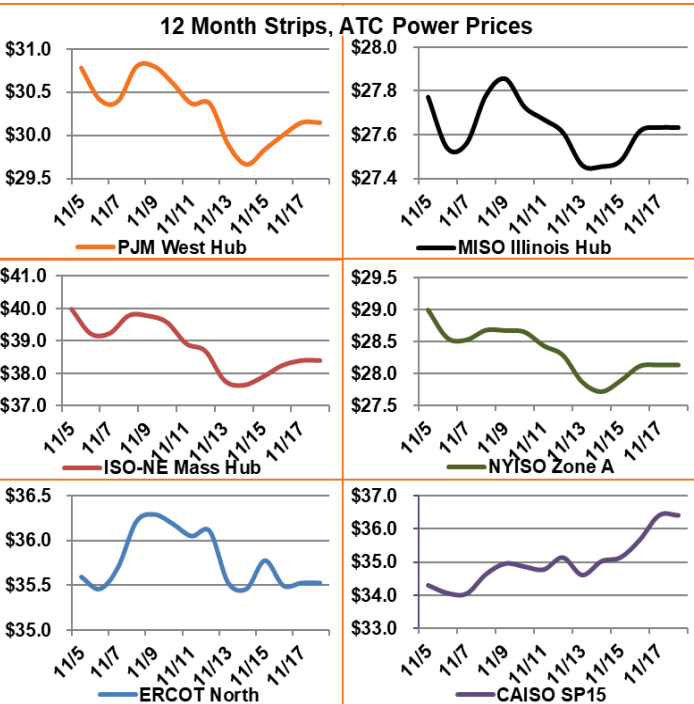
- Record NG production
- Higher associated gas production
- Healthy storage levels



Next Day On-Peak Power (traded for 11/18/2019)

ISO-NE Mass Hub \$35.36	MISO Indiana Hub \$32.93	NYISO Zone G \$29.75
PJM West Hub \$34.70	ERCOT North \$30.11	CAISO SP15 \$42.87

NYMEX NG	Close	Change
Dec-19	2.688	0.041
Jan-20	2.750	0.031
12 Month	2.510	0.008
Cal 20	2.510	0.004
Cal 21	2.482	0.003



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,732	3,729	3,241	3,730
Diff v. Current		3	491	2
% Diff			15.1%	0.1%

