

Early Morning Update

The Dec19 natural gas contract is trading down \$0.045 at \$2.52. The Dec19 crude oil contract is down \$0.75 at \$56.30.

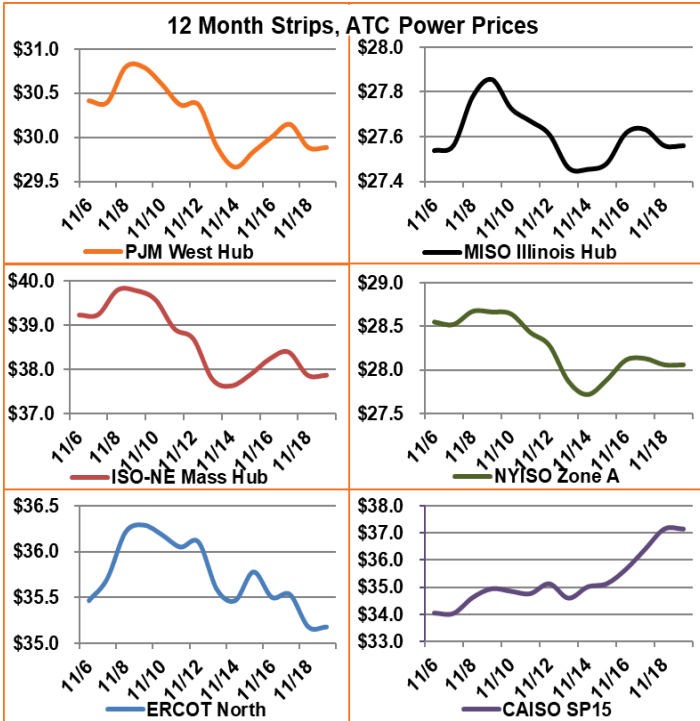
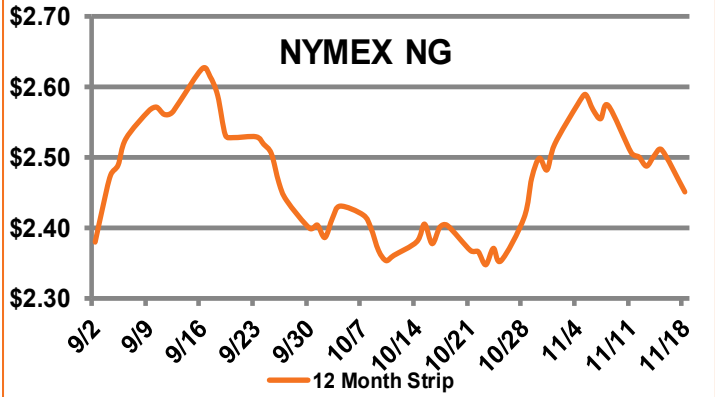
Summary: The December NYMEX natural gas contract continued to slump yesterday, as the early start to winter began to make its exit. Temperature forecasts for the next 20 days along the East Coast currently depict a significant shift from the recent well-below-normals towards near-normal values. Yesterday, the December contract lost about 12 cents from Friday's close upon the weakened outlook for heating demand, and settled at \$2.566/MMBtu. While this price is five cents higher versus last month, its 40 cents lower versus six months ago. The January and February winter contracts also slumped by nearly the same amount as January, settling down to \$2.63 and \$2.58, respectively. The balance of the 2020 contract lost an average of four cents, settling just shy of \$2.45, nearly 10 cents higher than the 2-year low that was set back in August. The 2021-2023 calendar strips each moved less than a penny from Friday's close, reacting very little to the weather-driven volatility at the front of the curve.

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 11/19/2019)

ISO-NE Mass Hub \$40.56	MISO Indiana Hub \$30.03	NYISO Zone G \$30.64
PJM West Hub \$33.26	ERCOT North \$22.46	CAISO SP15 \$43.65
NYMEX NG		
	Close	Change
Dec-19	2.566	-0.122
Jan-20	2.630	-0.120
12 Month	2.451	-0.059
Cal 20	2.459	-0.051
Cal 21	2.476	-0.006

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%

