

**Early Morning Update**

The Jan20 natural gas contract is trading up \$0.07 at \$2.40. The Jan20 crude oil contract is down \$0.16 at \$55.80.

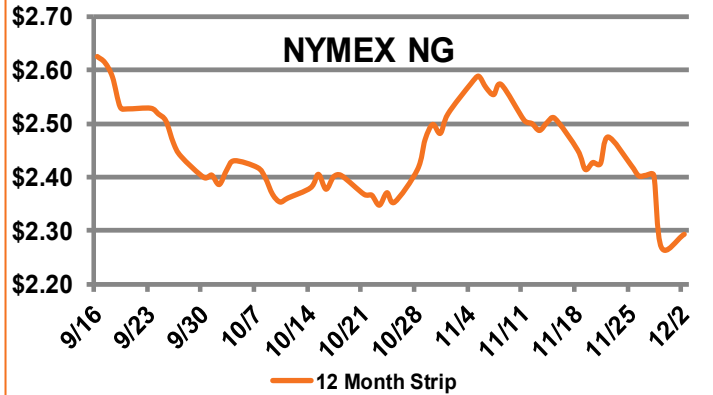
**Summary:** As near-term weather forecasts continue their shift towards warmer-than-normal temperatures, most of yesterday's trading activity in the natural gas market was focused around the balance of winter. The prompt month rose 4.8 cents to settle at \$2.329/MMBtu. The Jan'20-Mar'20 natural gas contracts each strengthened by about five cents from the new market-wide lows that were established last Friday. Despite the bearish weather outlook for the next few weeks, market participants may perceive that winter prices have hit rock-bottom, causing a surge in demand from short-covering, which provided the slight boost for prices. For reference, Q1'20 settled just shy of \$2.30 on Monday, while Q1'19 landed at \$3.15, not including the \$4.72 settlement price from December 2018. It may be advantageous to cover any open short or long-term natural gas positions at current market prices, before the next round of winter cold appears.

**Bullish Factors**

- Record LNG exports
- Growing NG exports to Mexico
- Approaching winter

**Bearish Factors**

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



**Next Day On-Peak Power (traded for 12/3/2019)**

<b>ISO-NE Mass Hub</b> \$45.03	<b>MISO Indiana Hub</b> \$27.07	<b>NYISO Zone G</b> \$29.32
<b>PJM West Hub</b> \$28.34	<b>ERCOT North</b> \$22.89	<b>CAISO SP15</b> \$50.18
NYMEX NG		
	Close	Change
Dec-19	2.329	0.048
Jan-20	2.308	0.046
12 Month	2.293	0.025
Cal 20	2.293	0.025
Cal 21	2.425	0.012

EIA Natural Gas Storage				
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	<b>3,610</b>	<b>3,638</b>	<b>3,062</b>	<b>3,641</b>
<b>Diff v. Current</b>		<b>-28</b>	<b>548</b>	<b>-31</b>
<b>% Diff</b>			<b>17.9%</b>	<b>-0.9%</b>

