

**Early Morning Update**

The Jan20 natural gas contract is trading up \$0.04 at \$2.28. The Jan20 crude oil contract is up \$0.14 at \$58.90.

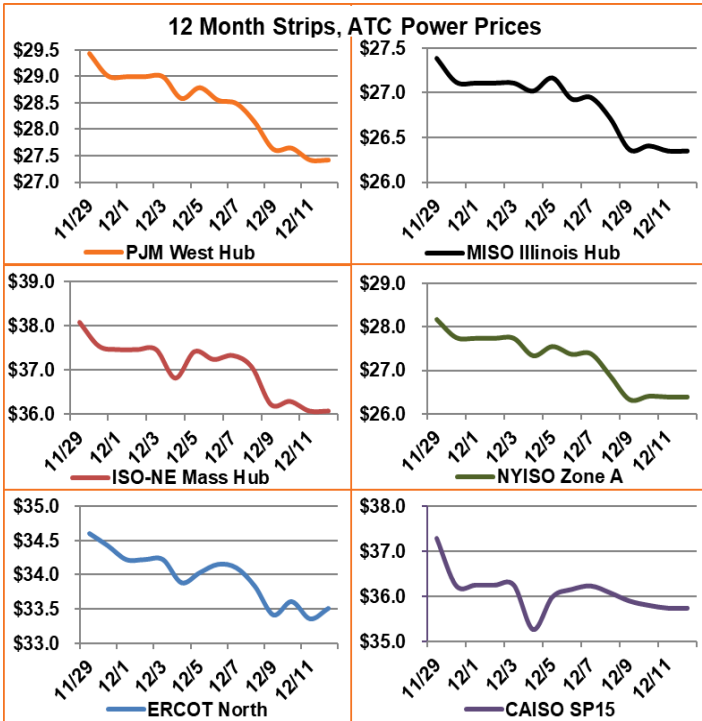
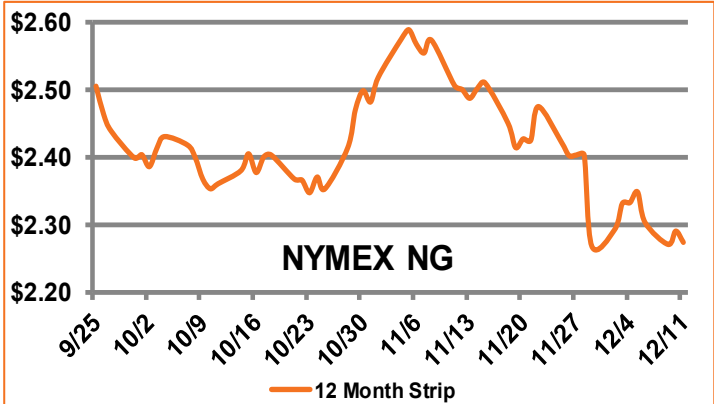
**Summary:** As the January 2020 NYMEX natural gas contract jumps around based on near-term weather forecasts, we saw the prompt month shed 2.1 cents yesterday and settle at \$2.243/MMBtu. Although the 2020 calendar strip lost 1.7 cents, the remaining calendar strips all remained flat. The weather forecast over the next five days shows warmer temperatures over the South and Northeast, but that is quickly erased in the 6-10 day forecast, with colder than normal temperatures projected to roll in. By the time Christmas arrives, that cold is forecast to dissipate, and we are back to warmer-than-normal temperatures for the vast majority of the central U.S. Despite the very suppressed natural gas prices that we continue to see, natural gas production overall remains very strong, even with reports of producers struggling financially. Another factor that has helped to suppress natural gas prices is healthy storage reserves. Later today, the EIA will release their weekly storage report, where market participants are expecting a 74 Bcf withdrawal, which is larger than the 5 year-average.

**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 12/12/2019)**

ISO-NE Mass Hub \$41.33	MISO Indiana Hub \$29.15	NYISO Zone G \$34.70
PJM West Hub \$31.86	ERCOT North \$22.42	CAISO SP15 \$40.51
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Dec-19	2.243	-0.021
Jan-20	2.243	-0.020
12 Month	2.274	-0.017
Cal 20	2.274	-0.017
Cal 21	2.454	-0.003

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,591	3,610	3,000	3,600
Diff v. Current		-19	591	-9
% Diff			19.7%	-0.3%

