

**Early Morning Update**

The Jan20 natural gas contract is trading down \$0.01 at \$2.33. The Jan20 crude oil contract is up \$0.34 at \$60.55.

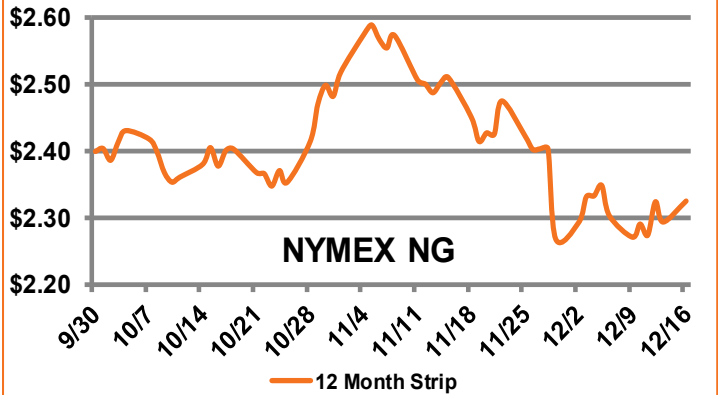
**Summary:** December weather forecasts for the Northeast have remained largely unchanged over the last few days. Temperatures through the end of this week are expected to be colder than normal, before dramatically shifting towards a nation-wide warm-up, which is expected to last through the end of the month. However, a noteworthy change has been made to the forecasts for the first week of January, which looks to be slightly bullish for Natural gas prices. Previous forecasts that expected the Northeast to be normal to slightly-below normal are now showing temperatures around three degrees below normal. As a result, the monthly contracts within the 2020 calendar strip each gained a few pennies throughout yesterday's trading activity. The January-March contracts lead the rally, each strengthening by about four cents. Despite the uptick, prices are still very close to their all-time lows, as production and storage remain healthy. Pricing in the out years for calendars '21-'23 moved very little day-over-day, as winter remains to be the focus of most trading activity.

**Bullish Factors**

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

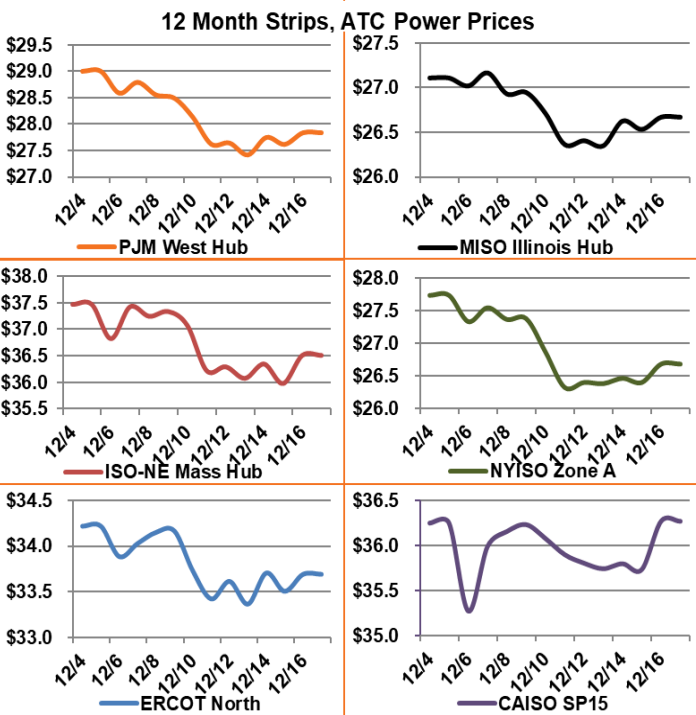
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 12/17/2019)**

<b>ISO-NE Mass Hub</b> \$45.29	<b>MISO Indiana Hub</b> \$25.99	<b>NYISO Zone G</b> \$28.67
<b>PJM West Hub</b> \$28.19	<b>ERCOT North</b> \$25.77	<b>CAISO SP15</b> \$47.16
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Dec-19	2.341	0.045
Jan-20	2.326	0.044
12 Month	2.325	0.031
Cal 20	2.325	0.031
Cal 21	2.449	0.003



**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	3,518	3,591	2,925	3,532
<b>Diff v. Current</b>		-73	593	-14
<b>% Diff</b>			20.3%	-0.4%

