

Early Morning Update

The Jan20 natural gas contract is trading down \$0.04 at \$2.17 (!). The Jan20 crude oil contract is up \$0.29 at \$60.81.

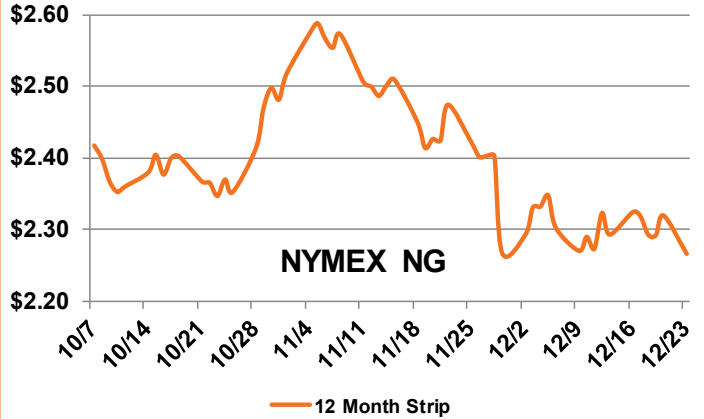
Summary: The NYMEX prompt fell sharply yesterday, closing down \$.114 to end the day at \$2.214. Weather forecasts were revised to show warmer temperatures until mid-January, and the market fell in response. As the near-term fell, Cals '20 and '21 reached another all-time low yesterday, extending what seems to be a daily occurrence as the market plumbs new depths. The concern here would be if weather forecasts are revised over this coming weekend. Low liquidity could mean quick moves in pricing if forecasts were to reverse course and show colder temps. But for now, enjoy the low pricing for both power and gas. There will be no update tomorrow. Enjoy the holiday and we'll see you on Thursday.

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 12/24/2019)

ISO-NE Mass Hub \$42.30	MISO Indiana Hub \$21.79	NYISO Zone G \$27.07
PJM West Hub \$21.75	ERCOT North \$15.77	CAISO SP15 \$44.20

NYMEX NG	Close	Change
Dec-19	2.214	-0.114
Jan-20	2.217	-0.093
12 Month	2.267	-0.053
Cal 20	2.267	-0.053
Cal 21	2.412	-0.010

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,411	3,518	2,793	3,420
Diff v. Current		-107	618	-9
% Diff			22.1%	-0.3%

