

**Early Morning Update**

The Jan20 natural gas contract is trading up \$0.08 at \$2.25. The Feb20 crude oil contract is up \$0.15 at \$61.26.

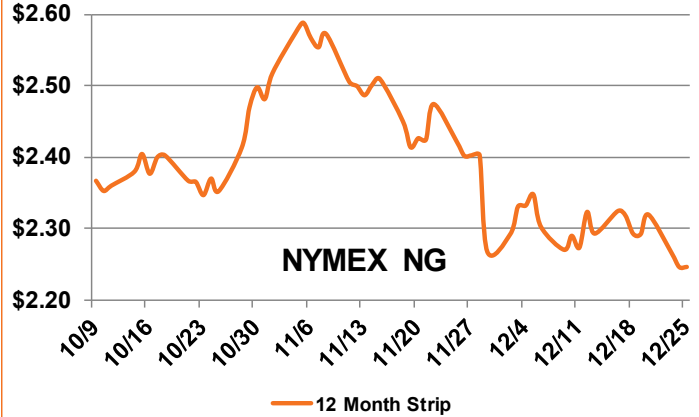
**Summary:** We hope that everyone is having a good holiday season so far. As we make our way towards the end of the year, the NG market seems determined to test the lower limits of gas prices. Cals '20 and '21 again hit new lows on Tuesday as the prompt month contract fell \$.042 to close at \$2.172. The Jan '20 contract (and therefore Cal' 20) expires tomorrow the 27th. The EIA will also release its weekly storage report tomorrow, delayed one day due to Christmas. Most recent estimates call for a draw from storage near 170 Bcf. This is well above last year and the 5-year average as the cold snap last week boosted demand. The next two draws (-65, -71) are forecast to be much smaller, reflecting the milder temps. Liquidity this week remains poor due to the holiday, and will likely remain that way through next week.

**Bullish Factors**

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

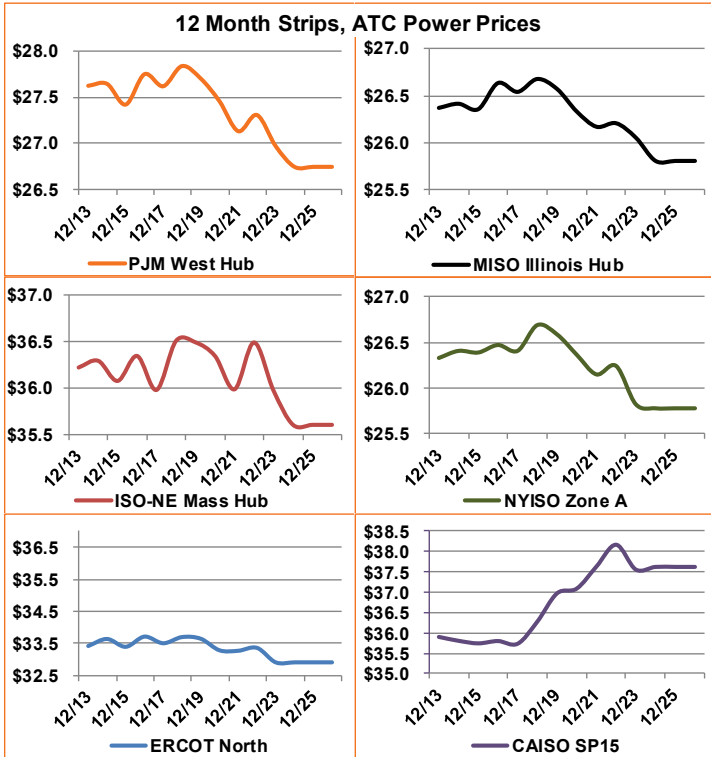
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 12/26/2019)**

<b>ISO-NE Mass Hub</b> \$31.50	<b>MISO Indiana Hub</b> \$21.23	<b>NYISO Zone G</b> \$24.25
<b>PJM West Hub</b> \$20.50	<b>ERCOT North</b> \$19.01	<b>CAISO SP15</b> \$44.20
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Dec-19	2.172	-0.042
Jan-20	2.187	-0.030
12 Month	2.247	-0.020
Cal 20	2.247	-0.020
Cal 21	2.406	-0.006



**EIA Natural Gas Storage**

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

