

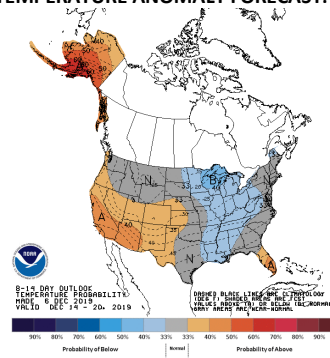


## NATURAL GAS MARKET UPDATE

December 6, 2019

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## NOAA 8 TO 14 DAY TEMPERATURE ANOMALY FORECAST:



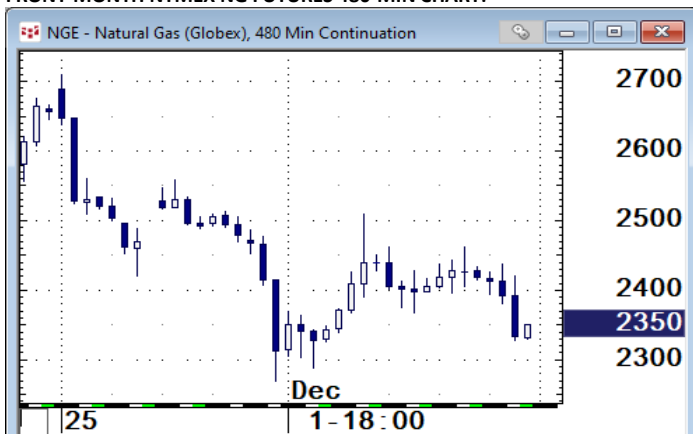
### NYMEX HENRY HUB SETTLEMENT PRICES:

12/6/19	Settle	Season		Year	
Jan20	2.334	Jan20-Mar20	2.301	Cal 20	2.303
Feb20	2.319	Apr20-Oct20	2.252	Cal 21	2.442
Mar20	2.249	Nov20-Mar21	2.576	Cal 22	2.449
Apr20	2.168	Apr21-Oct21	2.334	Cal 23	2.480
May20	2.181	Nov21-Mar22	2.609	Cal 24	2.534
Jun20	2.231	Apr22-Oct22	2.335	Cal 25	2.582
Jul20	2.284	Nov22-Mar23	2.616	Cal 26	2.632
Aug20	2.299	Apr23-Oct23	2.368	Cal 27	2.722
Sep20	2.287	Nov23-Mar24	2.682	Cal 28	2.788

### DOMINION-SOUTH FIXED-PRICE MARKETS (NYMEX/HENRY+ ICE DOM-SOUTH BASIS):

Jan-20	1.9290	Jan20-Mar20	1.9182
Feb-20	1.9465	Apr20-Oct20	1.7619
Mar-20	1.8790	Nov20-Mar21	2.1678
Apr-20	1.8005	Apr21-Oct21	1.8142
May-20	1.7535	Nov21-Mar22	2.1942
Jun-20	1.7960	Apr22-Oct22	1.7789
Jul-20	1.8740	Calendar 2020	1.8455
Aug-20	1.8540	Calendar 2021	1.9697
Sep-20	1.6245	Calendar 2022	1.9390
Oct-20	1.6310	Calendar 2023	1.8960
Nov-20	1.8825	Calendar 2024	1.9451
Dec-20	2.1755	Calendar 2025	1.9925

### FRONT-MONTH NYMEX NG FUTURES 480-MIN CHART:



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### DAILY CASH MARKET PRICES (for GD6):

Columbia Gas Transmission (TCO)	1.955
Dominion South Point	1.810
Henry Hub	2.315
SoCal, citygate	4.805
Sumas	2.865
Tennessee Gas Pipeline Zone 6 North	4.590
Transco Zone 5 South	2.370
Waha	1.485

### WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	11/29/2019	Build/(Draw)
Current Storage	3,591 Bcf	(19) Bcf
		Surplus/(Deficit)
Last Year Storage	3,000 Bcf	591 Bcf
5-Year Average	3,600 Bcf	(9) Bcf
<b>ICE Traded Markets:</b>		ICE Settle:
Weekly Storage Inventory Number (12/12/2019)		(75) Bcf
End of Injection Season Storage (04/09/2020)		1,735 Bcf

**Market Commentary:** The natural gas market has resumed its bearish disposition in recent weeks, as record supply collides with weather that has not been cold enough to hold bears at bay, and the short-covering rally that had brought us back up to 2.70 ahead of the Thanksgiving holiday has reversed and bears have regained the upper hand for the time being. It is winter and demand matters more than ever, but supply has continued to impress and set new records above 94 Bcf/day to finish up the month of November, and weather forecasts have diverged and created uncertainty. Two weeks ago the then-prompt Dec19 futures finished the week to the upside and portended some optimism, which was in fact seen with another gap on Sunday the 24<sup>th</sup>, but that was a fakeout and closed rather quickly, and by last Monday morning's open prices had returned to the upper 2.50's. On Tuesday the Dec19 Nymex contract settled for the final time with another move down to settle at 2.470 for the month. Jan assumed prompt status that afternoon in the low 2.50's and proceeded to slowly drift lower as Thanksgiving approached. On Friday the selling picked up steam and started down from the high 2.40's into the mid 2.30's by Friday's open. Friday was a quiet day with many traders away from their desks, but that didn't stop sellers from aggressively hitting bids into the close, as Jan Nymex plummeted to an all-time contract low of 2.270 into the early settle, before moving back up into the low 2.30's once again before the early close. Sunday's open was quiet, before dipping below 2.30 one more time on Monday morning, but that would prove to be the low print for the week at 2.289. Prices started higher on Monday night and continued into the morning as the GEFS weather model started to forecast colder weather toward mid-month, and by midday on Tuesday Jan Nymex was just above 2.50. The 2.510 high was not to be topped this week, and from there we have worked our way back down, consolidating around 2.40, then trying to rally but only getting as high as 2.46 or so that time, and then today we started lower after the midday weather runs showed the GEFS coming into better agreement with the European weather model, which had been expecting milder conditions instead. Storage only fell by -19 Bcf in this week's report, which was close to expectations but bearish versus historical comparisons, and next week is only expected to show a -75 Bcf withdrawal at this point, which is not enough to generate much bullish enthusiasm. European and Asian natural gas prices are higher than we are seeing here, but Jan contracts are only trading at \$4.92 equivalent in the Dutch TTF market, \$5.27 at the UK's Nat'l Balancing Point, and \$5.62 for the Japan-Korea Marker which is the proxy for Asian LNG, all of which are near all-time contract lows for the current Jan20 contracts, and they are down roughly 50% from last year.

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