

This will be the last weekly publication as I have accepted a new position. Good luck to everyone.

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***Week Ending December 6, 2019***

**Price Action:** The spot price rose 5.3 cents (2.3%) to \$2.334 on a 22.1 cent range (\$2.510/\$2.289).

**Price Outlook:** Prices rose as Mother Nature turned bullish and the EIA reported a larger than expected withdrawal, while still bearish on a temperature adjusted basis. With the majority of winter still ahead, projections for late March/early April inventories remain largely dependent on temperatures and prices will largely follow the changing weather forecasts. For daily updated storage projections, subscribe to our joint publication with RBN Energy. CFTC data indicated a (42,285) contract increase in the net short managed money position as longs added and shorts added. The latest position represents a (37,006) contract reduction from the record (219,742) net short position from August 13. Total open interest rose 42,457 to 3.365 million as of December 03. Aggregated CME futures open interest rose 36,827 to 1.301 million as of December 06. The current weather forecast is now cooler than 6 of the last 10 years. Pipeline data indicates total flows to Cheniere's Sabine Pass export facility were at 4.2 bcf. Cove Point is net exporting 0.8 bcf. Corpus Christi is exporting 1.620 bcf. Cameron is exporting 0.820 bcf. Freeport is exporting 0.810 bcf. Elba Island is exporting 0.071 bcf.

**Weekly Storage:** US working gas storage for the week ending November 29 indicated a withdrawal of (19) bcf. Working gas inventories fell to 3,591 bcf. Current inventories rise 600 bcf (20.1%) above last year and fall (10) bcf (-0.3%) below the 5-year average.

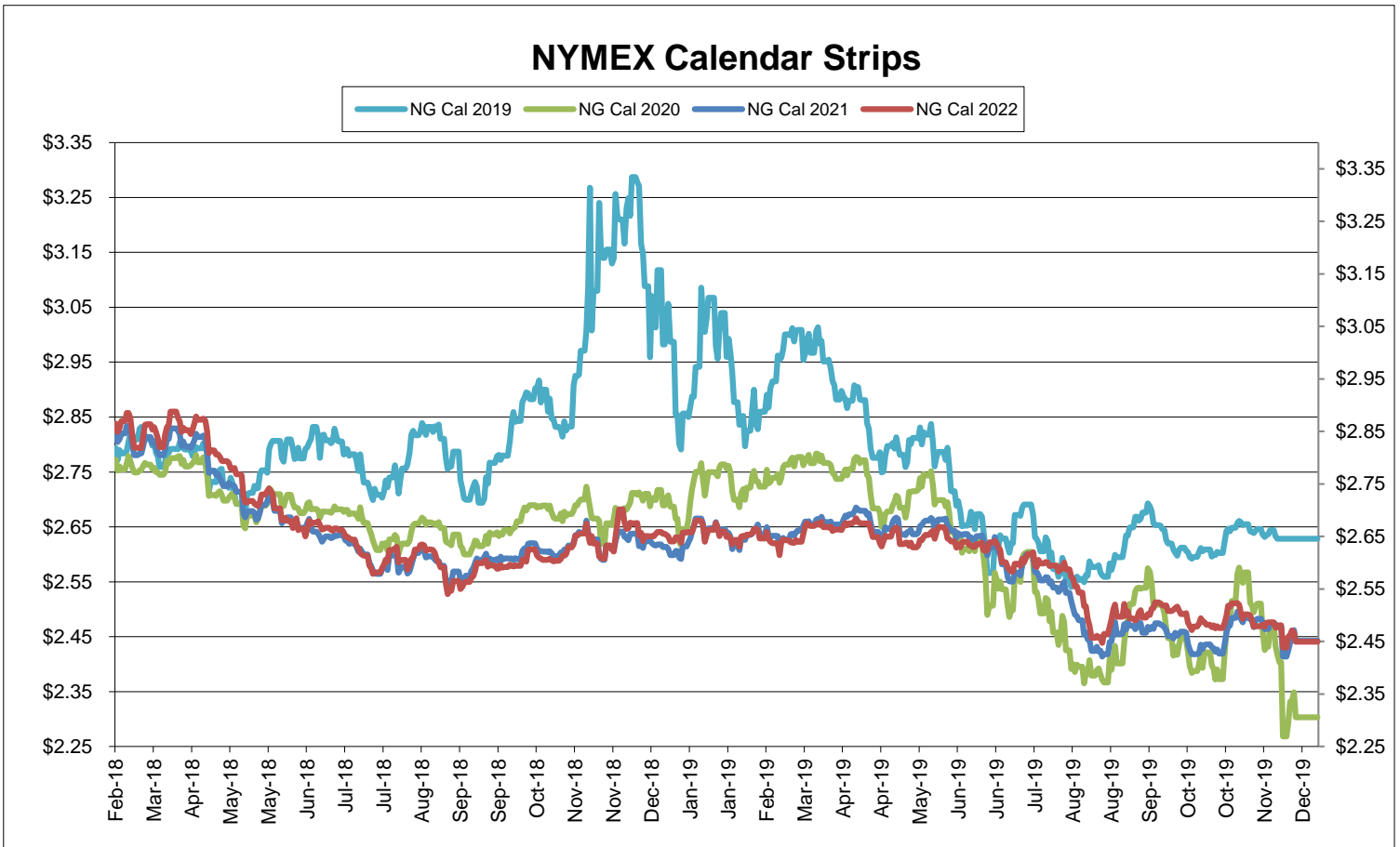
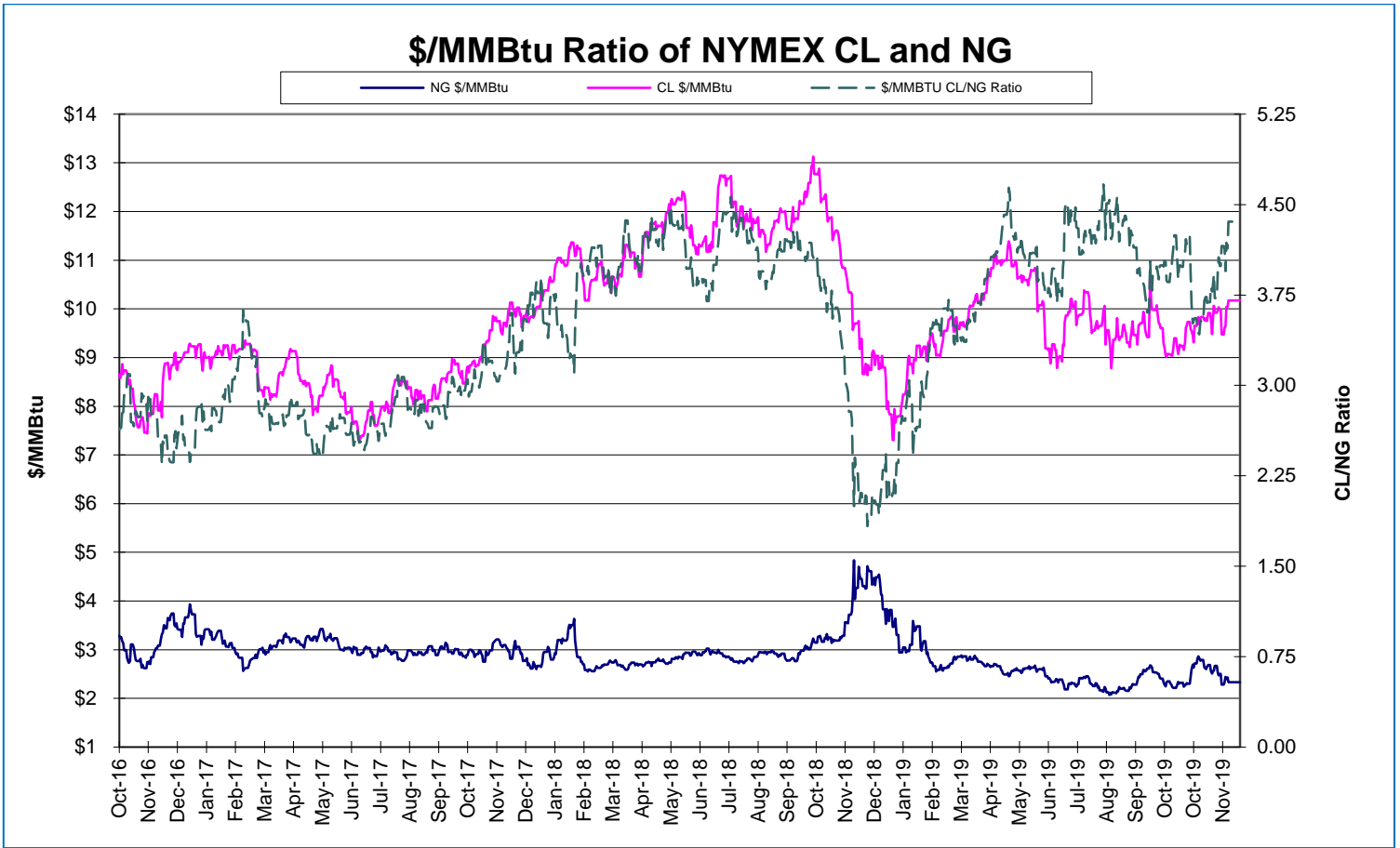
**Storage Outlook:** The EIA weekly implied flow was (11) bcf from our EIA storage estimate. This week's storage estimate was outside our tolerance. Over the last five weeks, the EIA has reported total injections of +4 bcf compared to our +13 bcf estimate. The forecasts use a 10-year rolling temperature profile past the 15-day forecast. Our joint publication with RBN updates storage projections daily.

**Supply Trends:** Total supply fell (0.3) bcf/d to 86.9 bcf/d. US production rose. Canadian imports fell. LNG imports fell. LNG exports rose. Mexican exports fell. The US Baker Hughes rig count fell (3). Oil activity decreased (5). Natural gas activity increased +2. The total US rig count now stands at 799. The Canadian rig count rose +12 to 138. Thus, the total North American rig count rose +9 to 937 and now trails last year by (324). The higher efficiency US horizontal rig count fell (6) to 695 and falls (238) below last year.

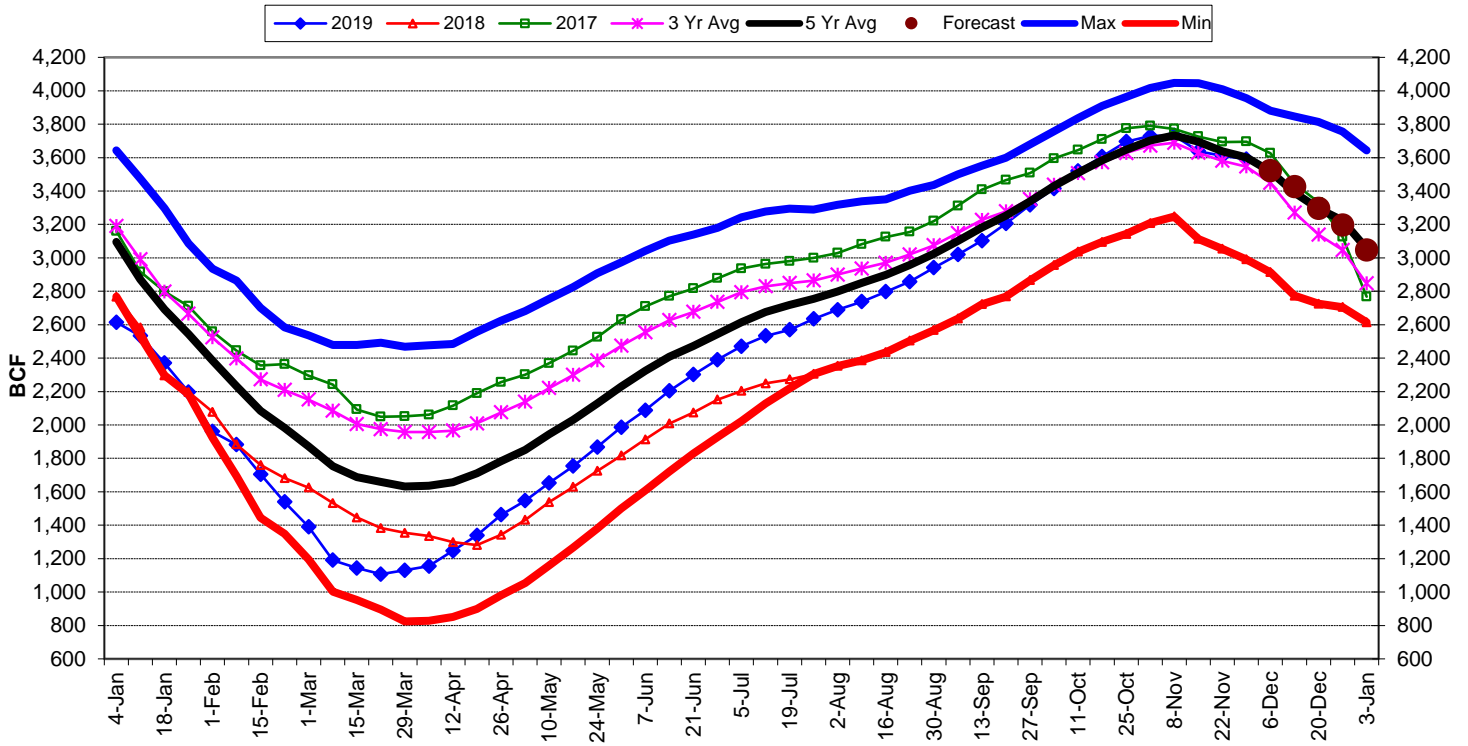
**Demand Trends:** Total demand fell (1.5) bcf/d to +89.9 bcf/d. Power demand fell. Industrial demand fell. Res/Comm demand fell. Electricity demand fell (917) gigawatt-hrs to 70,815 which trails last year by (5,223) (-6.9%) and trails the 5-year average by (1,848)(-2.5%).

**Nuclear Generation:** Nuclear generation rose 3,086 MW in the reference week to 91,883 MW. This is +2,229 MW higher than last year and +1,236 MW higher than the 5-year average. Recent output was at 93,181 MW.

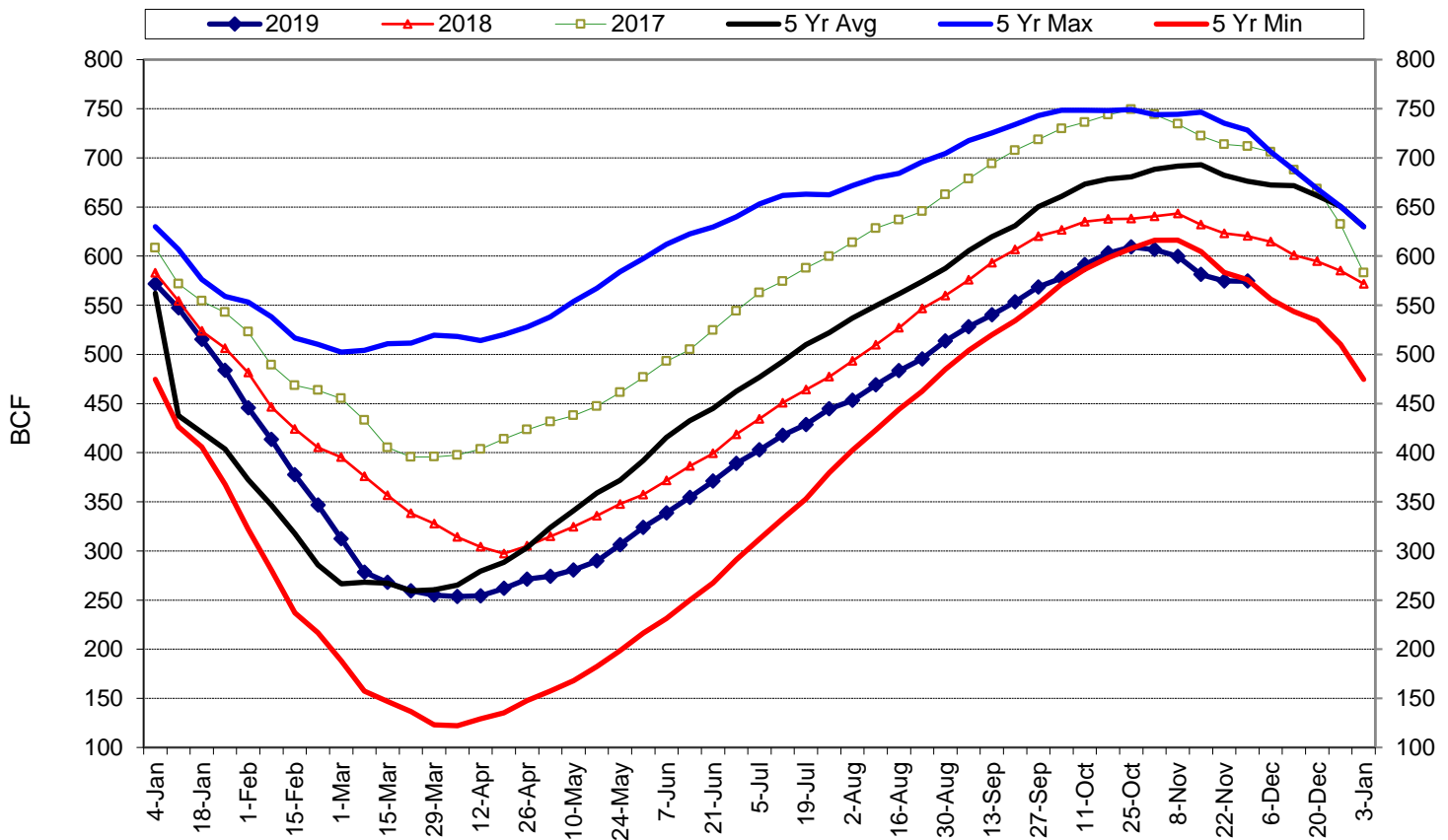
- The heating season has begun. With a forecast through December 20, the 2020 total heating index is at (845) compared to (962) for 2019, (814) for 2018, (701) for 2017, (592) for 2016, (841) for 2015, (958) for 2014, (659) for 2013 and (774) for 2012.



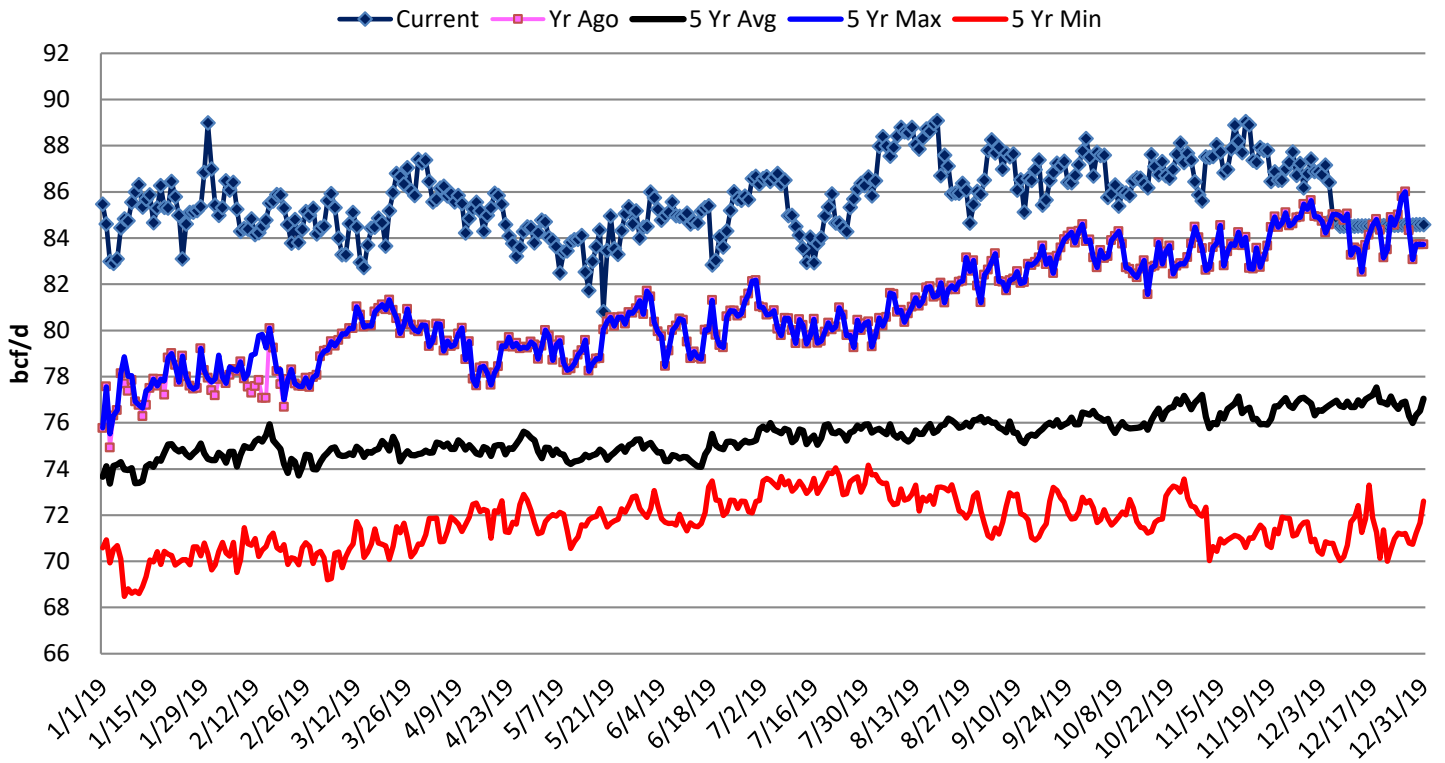
## US Total Working Gas Storage - Source - EIA



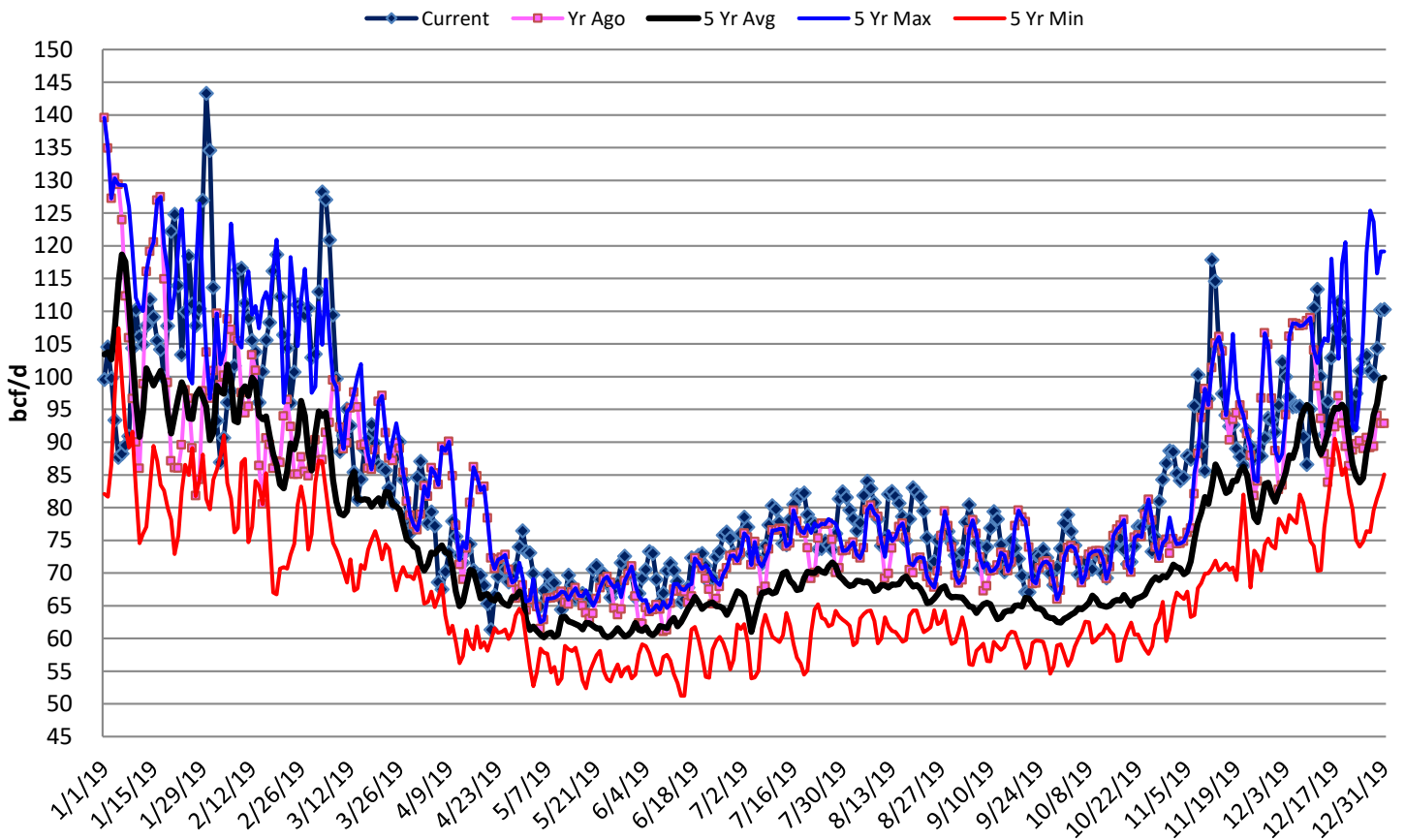
## Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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