



WEEKLY NATURAL GAS MARKET UPDATE

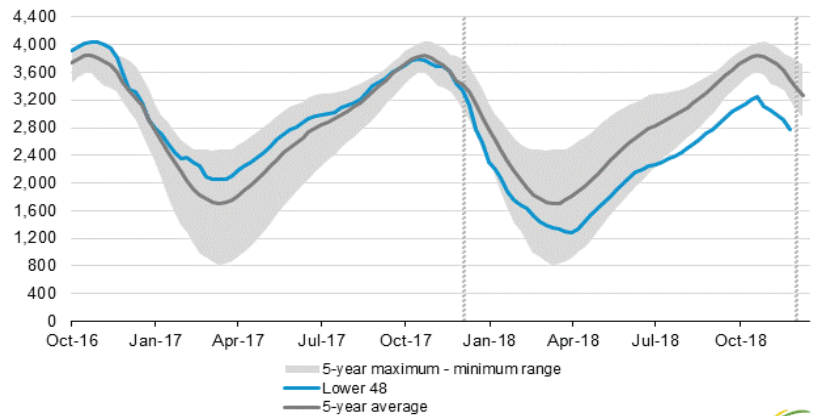
DECEMBER 24, 2018

The Jan-2019 NYMEX natural gas contract closed Friday at \$3.816, down \$0.011 for the week. The 12-month strip average price of natural gas was up by \$0.029 over the same period. The Jan-2019 natural gas contract expires this Thursday, 12/27. The Feb-2019 NYMEX crude oil contract closed Friday at \$47.20, down \$4.27 for the week. Updated forecasts from the NOAA suggest a return to more seasonal temps is in store for much of the US but with no clear pattern indication through the balance of the winter. Baker Hughes reported on Friday that the US natural gas rig count fell by 1 to 197 while total rigs (gas/oil combined) were up by 9 to 1080. In its most recent natural gas storage data, the EIA reported a withdrawal of 141 Bcf from national inventories, a number at the high end of consensus market expectations. Early estimates for this week's report indicate an expected withdrawal in the range of 50 to 60 Bcf vs. a withdrawal of 122 Bcf for the same week last year and a 5-yr avg. withdrawal of 121 Bcf.

EIA NATURAL GAS STORAGE REPORT
Week Ending December 14, 2018

Region	Inv. Level	Week Δ	Year Ago	5yr Avg.
East	692	-40	817	822
Midwest	841	-44	988	972
Mountain	153	-7	205	199
Pacific	227	-11	296	319
S. Central	860	-38	1164	1181
Total	2773	-141	3470	3493

WORKING GAS IN UNDERGROUND STORAGE COMPARED WITH 5-YEAR RANGE

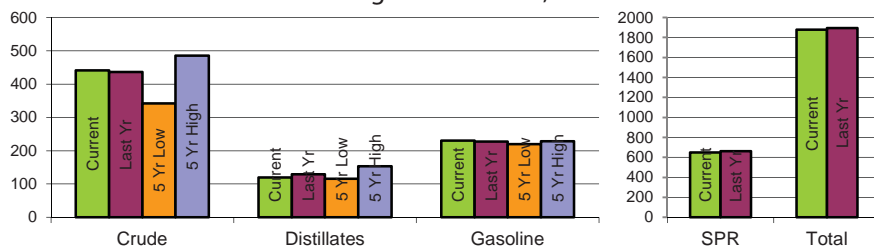


Source: U.S. Energy Information Administration



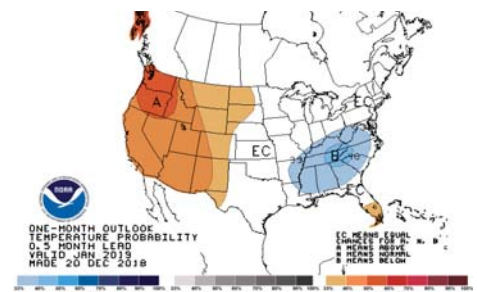
Storage Highlights: Working gas in storage was 2,773 Bcf as of Friday, December 14, 2018, according to EIA estimates. This represents a net decrease of 141 Bcf from the previous week. Stocks were 697 Bcf less than last year at this time and 720 Bcf below the five-year average of 3,493 Bcf. At 2,773 Bcf, total working gas is below the five-year historical range.

EIA PETROLEUM INVENTORY (BARRELS X 1000)
Week Ending December 14, 2018

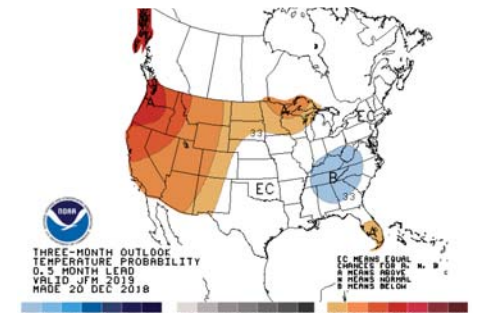


U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) decreased by 0.5 million barrels from the previous week. At 441.5 million barrels, U.S. crude oil inventories are about 7% above the five year average for this time of year. Total motor gasoline inventories increased by 1.8 million barrels last week and are about 3% above the five year average for this time of year. Finished gasoline and blending components inventories both increased last week. Distillate fuel inventories decreased by 4.2 million barrels last week and are about 11% below the five year average for this time of year. Propane/propylene inventories decreased by 3.3 million barrels last week and are about 6% below the five year average for this time of year. Total commercial petroleum inventories decreased last week by 10.3 million barrels last week.

JAN-2019 TEMP OUTLOOK (NOAA)



JAN-MAR TEMP OUTLOOK (NOAA)



BAKER HUGHES US NATURAL GAS RIG COUNT, 12/21/2018

	This Week	+/-	Last Week	+/-	Year Ago
Gas Rigs	197	-1	198	+13	184