

**Early Morning Update**

The Mar21 natural gas contract is trading up \$0.10 at \$3.03. The Mar21 crude oil contract is up \$0.79 at \$57.02.

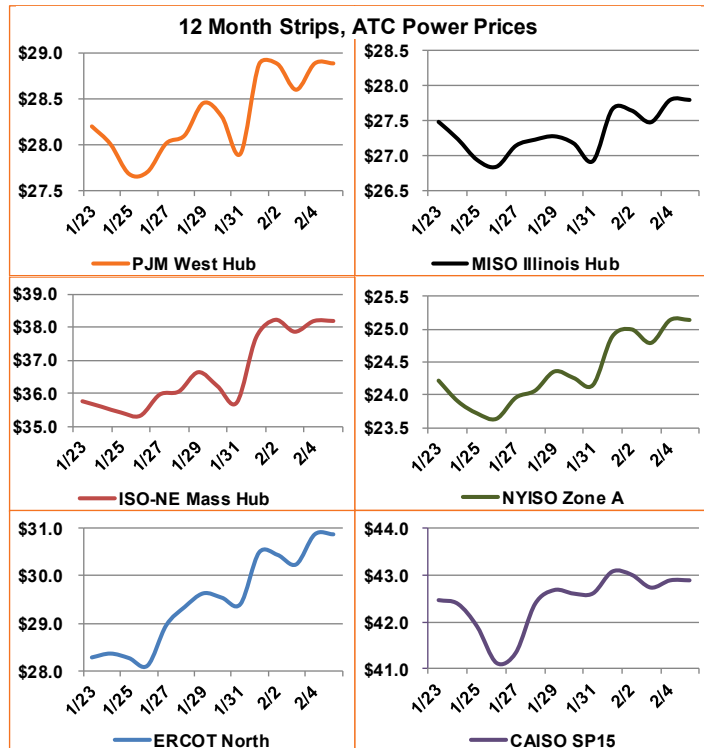
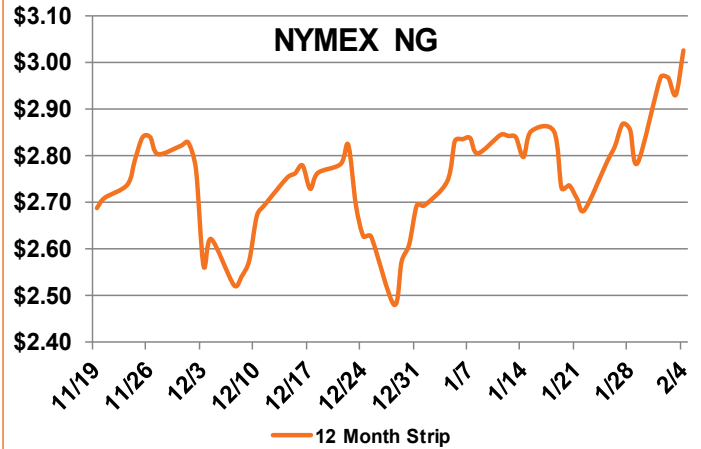
**Summary:** The forecasted polar vortex, or "Arctic air blast" as some news medias have been calling it, has had massive impacts on the NYMEX natural gas markets. If we look at Friday's close for the March Contract, there has been a change from \$2.566/MMBtu to today's open at \$2.957/MMBtu. This \$0.40/MMBtu change in the prompt occurred in just one week with the weather forecasts shifting to a much colder February than expected earlier on in the Winter. Interestingly enough, there has not been that much impact on the calendar strips past 2022 as extension of this significant runup exhausts itself at the end of Winter 2022. Yesterday's EIA announcement of a 192Bcf withdrawal from storage did help support the upward movement despite the predictions calling for a very slightly higher pull. The March Contract grew by nearly \$0.15/MMBtu as a result of the higher than average withdrawal and likely will experience similar, if not higher, situations in the coming weeks.

**Bullish Factors**

- LNG exports back in force
- High exports to Mexico
- Unstable production

**Bearish Factors**

- Coronavirus impacts on demand
- Healthy storage levels
- Lack of significant heating demand



**Next Day On-Peak Power (traded for 2/5/2021)**

ISO-NE Mass Hub \$80.53	MISO Indiana Hub \$30.33	NYISO Zone G \$56.56
PJM West Hub \$26.97	ERCOT North \$25.55	CAISO SP15 \$28.50

NYMEX NG	Close	Change
Mar-21	2.935	0.146
Apr-21	2.889	0.117
12 Month	3.028	0.095
Cal 22	2.704	0.030
Cal 23	2.515	0.002

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,689	2,881	2,648	2,491
Diff v. Current		-192	41	198
% Diff			1.5%	7.9%

