

Early Morning Update

The Mar21 natural gas contract is trading down \$0.02 at \$3.20. The Mar21 crude oil contract is up \$0.26 at \$61.40.

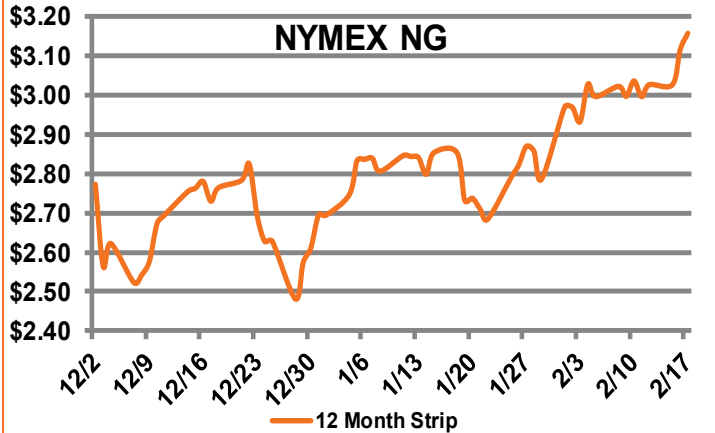
Summary: The upward climb for the prompt month persists, as it closed the day out yesterday at \$3.219/MMBtu, up almost a dime from the previous day. The 12-month strip also reacted similarly and gained four cents. The bright side of this is that the movement remains confined to the front of the curve, with Cal '22 and beyond remaining basically flat day-over-day. All eyes continue to be on the devastation in the South, with so many Texans still without power and struggling to obtain basic necessities like water and heat at this time. It's unknown at this point how long it will take both natural gas producers and generators to recover from the wellhead freeze-offs and perform the required maintenance to safely start operating again. Until that's known, the potential for more near-term volatility exists. Adding to the potential for additional bullishness, the U.S. Energy Information Administration is releasing their weekly storage report later on this morning, where market participants are expecting a large withdrawal of around 250 Bcf. If actualized, this would be 108 Bcf and 109 Bcf stronger than the 5-year average and last year, respectively.

Bullish Factors

- Frigid temperatures
- High exports to Mexico
- Faltering production

Bearish Factors

- Coronavirus impacts on demand
- Healthy storage levels
- Drop in LNG exports



Next Day On-Peak Power (traded for 2/18/2021)

ISO-NE Mass Hub \$105.85	MISO Indiana Hub \$197.50	NYISO Zone G \$112.65
PJM West Hub \$161.45	ERCOT North \$8,288.09	CAISO SP15 \$181.05
NYMEX NG	Close	Change
Mar-21	3.219	0.090
Apr-21	3.032	0.049
12 Month	3.158	0.042
Cal 22	2.753	0.002
Cal 23	2.548	-0.010

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,518	2,689	2,527	2,366
Diff v. Current		-171	-9	152
% Diff			-0.4%	6.4%

