

**Early Morning Update**

The Mar '22 natural gas contract is trading up \$0.52 at \$5.27. The Mar '22 crude oil contract is up \$1.01 at \$89.21.

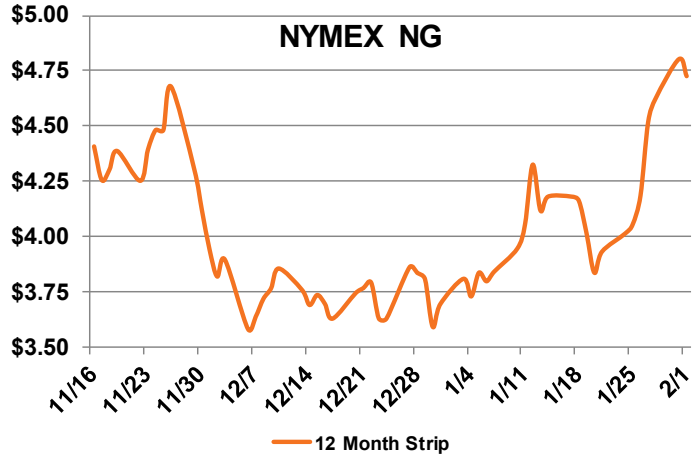
**Summary:** This winter shows that La Nina does not always mean warmth for the East! While December came in as the second warmest on record, it turned out that January has stolen the show, not in rank, but by coming in as the coldest January since 2014. After last month's settle price, the hope for relief this month may be on hold until after the next couple of weeks as forecasts cool and production lags. The NYMEX natural gas futures price for March fell 12.3 cents on the day, settling at \$4.751/MMBtu, however, it is skyrocketing this morning, up around 53 cents. The prompt month once again saw a wide trading range seeing pricing between \$4.620/MMBtu and \$4.974/MMBtu. LNG exports remain high, just over 13.0 Bcf/d, and Calcasieu Pass feedgas increases, getting ready for production at the site. Global LNG pricing continues to soar as demand increases due to cold and storage has not improved in Europe. US demand is expected to pick up this weekend as weather forecasts continue to cool for February adding upward pressure to near term NYMEX. U.S. dry production has dipped once again, averaging just over 90 Bcf/d for the start of the month following a brief uptick last week. Supply/demand fundamentals remain tight so far this winter increasing concerns for end of season storage levels. Following last week's cold and the Nor'easter, the EIA storage report is expected to report another hefty withdrawal tomorrow, with estimates of around 270 Bcf, which would be the largest of the heating season so far. This would be much higher than the five year average benchmark of 150 Bcf, and would widen continue to widen the deficit in storage levels.

**Bullish Factors**

- Record high LNG exports
- Extremely high global gas markets
- High exports to Mexico

**Bearish Factors**

- Production nearing all-time high
- Flat industrial demand
- NG storage surplus



**Next Day On-Peak Power (traded for 2/2/2022)**

ISO-NE Mass Hub \$153.89	MISO Indiana Hub \$60.75	NYISO Zone G \$109.76
PJM West Hub \$53.63	ERCOT North \$37.97	CAISO SP15 \$55.54

NYMEX NG	Close	Change
Mar-22	4.751	-0.123
Apr-22	4.573	-0.102
12-Month	4.724	-0.077
Cal 23	3.768	-0.039
Cal 24	3.279	-0.014

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,591	2,810	2,899	2,616
Diff v. Current		-219	-308	-25
% Diff			-10.6%	-1.0%

