

**Early Morning Update**

The Feb '22 natural gas contract is trading down \$0.01 at \$3.87. The Feb '22 crude oil contract is up \$1.85 at \$79.70.

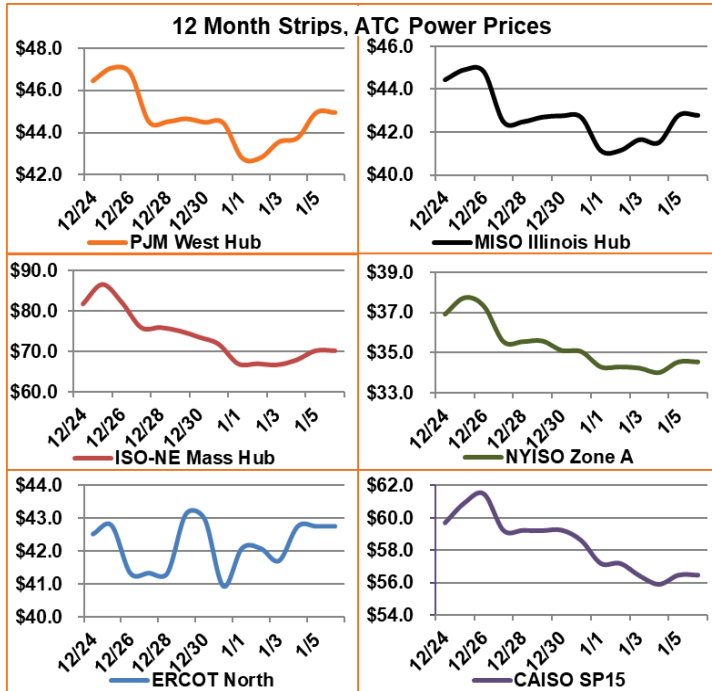
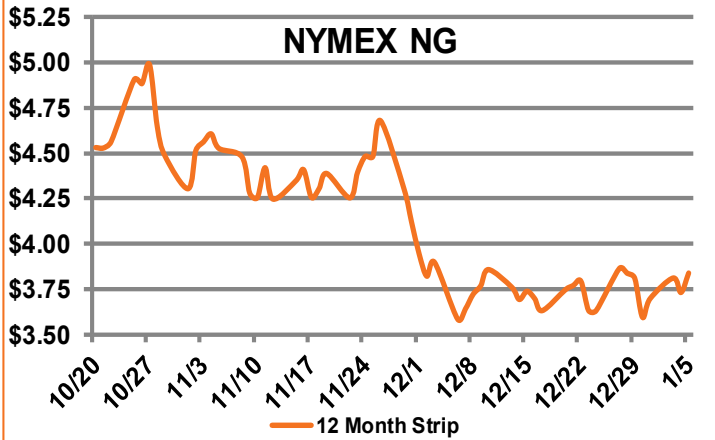
**Summary:** As a result of the U.S. seeing its first real dose of winter weather this season with the Midcontinent and Midatlantic temperatures well below normal, residential and commercial heating demand has grown by 15 Bcf/d since the end of December. Expectations for today's res/comm demand show another increase of 9.8 Bcf/d, which would bump up demand to 57 Bcf/d compared to yesterday's levels of 49.9 Bcf/d. Near-term weather forecasts continue to show a short, but strong cold shot to the East throughout next week, which may lead to more price support for near-term natural gas prices if these temperatures actualize or trend colder. Looking at the back half of January, temperatures are forecast to moderate for the East, and, instead, bring some potentially colder-than-normal temperatures to the West. Natural gas production is still trying to rebound from wellhead freeze-offs that occurred at the beginning of the month, with yesterday's dry production coming in at 93 Bcf/d, a 3.0 Bcf/d decrease from the end of December. Today's EIA storage report may bring some bearish news, with market participants expecting a very mild withdrawal number of around 50 Bcf. If actualized, this would be 58 Bcf smaller than the 5-year average benchmark of 108 Bcf.

**Bullish Factors**

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

**Bearish Factors**

- Mostly warmer-than-normal temps
- Production nearing all-time high
- Flat industrial demand



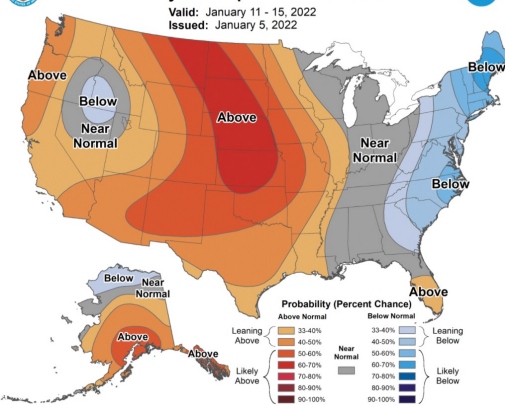
**Next Day On-Peak Power (traded for 1/6/2022)**

ISO-NE Mass Hub \$100.77	MISO Indiana Hub \$66.08	NYISO Zone G \$82.46
PJM West Hub \$57.12	ERCOT North \$32.05	CAISO SP15 \$60.00
NYMEX NG	Close	Change
Feb-22	3.882	0.165
Mar-22	3.710	0.128
12-Month	3.839	0.107
Cal 22	3.452	0.047
Cal 23	3.173	0.016

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,226	3,362	3,476	3,207
Diff v. Current		-136	-250	19
% Diff			-7.2%	0.6%

**6-10 Day Temperature Outlook**



**8-14 Day Temperature Outlook**

