

Early Morning Update:

The Feb18 natural gas contract is trading up \$0.11 at \$3.06. The Feb18 crude contract is down \$0.02 at \$60.40.

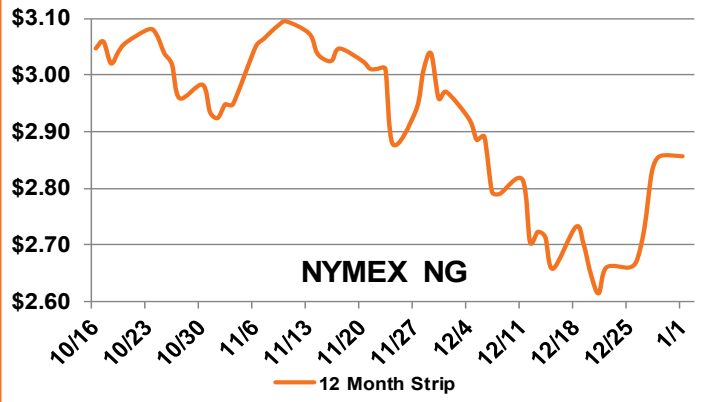
Summary: Near-term natural gas continued its upward climb on Friday, as the February NG contract gained nearly four cents on its second day of trading as the prompt month, settling at \$2.953/MMBtu. The 12-month strip gained nearly three cents to \$2.857, the 2019 year gained over a cent, and outer years all gained less than a cent. Brutally frigid temperatures continue to envelop the country, and we are expected to see the coldest first week of January on record. New England may see temperatures more than 30 degrees below normal at the end of this week, as the coldest parts of this front are forecasted to arrive on Friday/Saturday. The entire eastern half of the country will remain entrenched in cold for most of the next two weeks. Demand has shot up, in kind, with the drop in temperatures, as the last week has averaged close to 126 Bcf/d. The 2-week average forecast does slightly calm in its expected needs, but is still over 35% higher than the January 2017 monthly average. Production has waned over the holidays, but should build back up to close to 76 Bcf/d as we get another few weeks deeper into the new year.

Bullish Factors

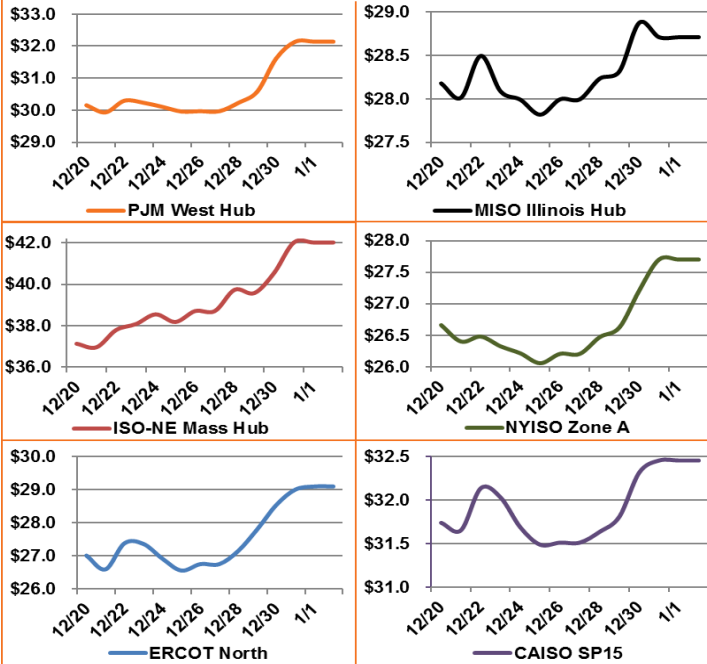
- Arctic temperatures
- LNG exports ramping up
- Exports to Mexico at all-time high

Bearish Factors

- NG production at record levels
- Growing renewable energy generation
- Increased NG pipeline capacity



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 1/2/2018)

ISO-NE Mass Hub \$210.00	MISO Indiana Hub \$88.35	NYISO Zone G \$205.25
PJM West Hub \$145.49	ERCOT North \$80.00	CAISO SP15 \$44.13
NYMEX NG		
	Close	Change
Feb-18	2.953	0.039
Mar-18	2.906	0.028
12 Month	2.857	0.027
Cal 19	2.814	0.014
Cal 20	2.816	0.008

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,332	3,444	3,394	3,417
Diff v. Current		-112	-62	-85
% Diff			-1.8%	-2.5%

