

Early Morning Update:

The Feb19 natural gas contract is trading down \$0.09 at \$2.95.
The Feb19 crude contract is up \$0.84 at \$48.80.

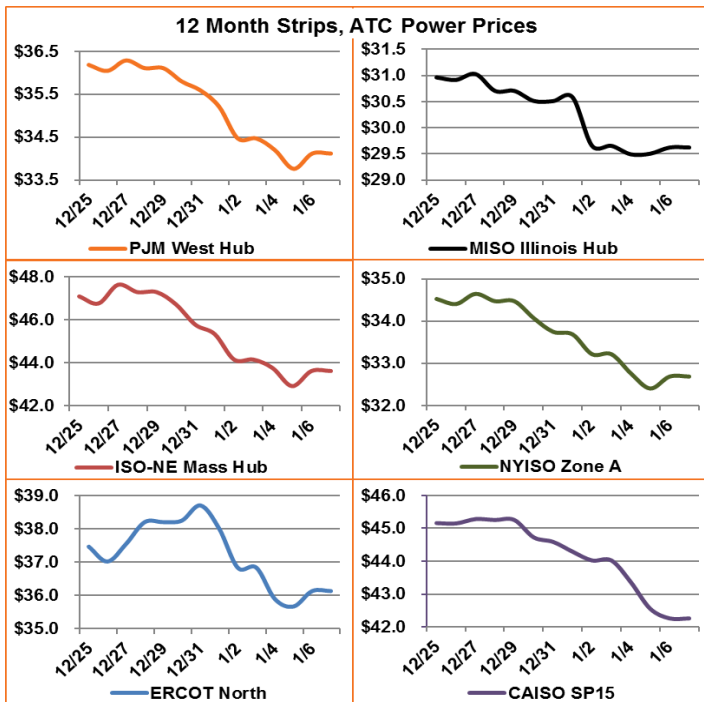
Summary: On Friday, the February 2018 NYMEX natural gas futures price reversed from the previous day's trend, rising 9.9 cents on the day to settle at \$3.044/MMBtu. The U.S. Energy Information Administration reported a bearish storage withdrawal of 20 Bcf, far less than the 193 withdrawal seen last year for the corresponding week, as well as the -107 Bcf five-year average. Despite the bearish storage report, the prompt month saw upward pressure, possibly due to LNG feedgas demand reaching a new all-time high of 5.4 Bcf/d, with the majority of the upward move from the new Corpus Christi export facility in Texas. Following suit, exports to Mexico also increased to 4.8 Bcf/d, back up to export levels seen a month ago. Warming weather forecasts continue to dominate the outlooks over the next couple of weeks, mainly in the eastern half of the country in the 1-5 day forecast. Winter is far from over, and if any colder-than-normal temps creep into the forecast, there is definitely risk to the upside. Total U.S. dry production has also fallen from its record high to around 84.0 Bcf/d, but is still around 9.8 Bcf/d higher than last year.

Bullish Factors

- Strong LNG exports
- Exports to Mexico
- Low storage levels

Bearish Factors

- Record NG production
- Warm weather forecasts
- Higher associated gas production

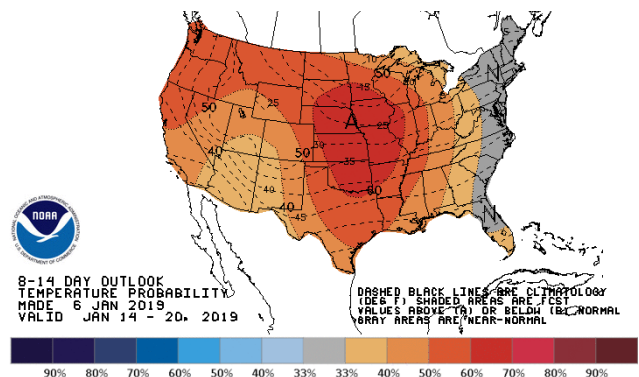
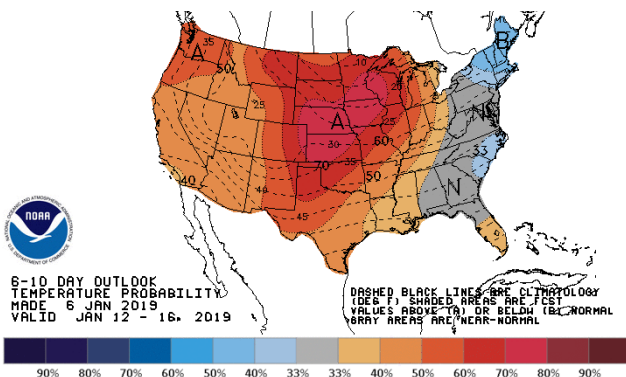


Next Day On-Peak Power (traded for 1/7/2019)

ISO-NE Mass Hub \$40.73	MISO Indiana Hub \$27.41	NYISO Zone G \$34.61
PJM West Hub \$30.09	ERCOT North \$23.52	CAISO SP15 \$45.58
NYMEX NG		Change
Feb-19	3.044	0.099
Mar-19	2.905	0.093
12 Month	2.807	0.070
Cal 20	2.614	0.023
Cal 21	2.657	0.019

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,725	2,773	3,348	3,372
Diff v. Current		-48	-623	-647
% Diff			-18.6%	-19.2%



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