

Early Morning Update:

The Feb18 natural gas contract is trading up \$0.05 at \$2.88. The Feb18 crude contract is up \$0.47 at \$62.20.

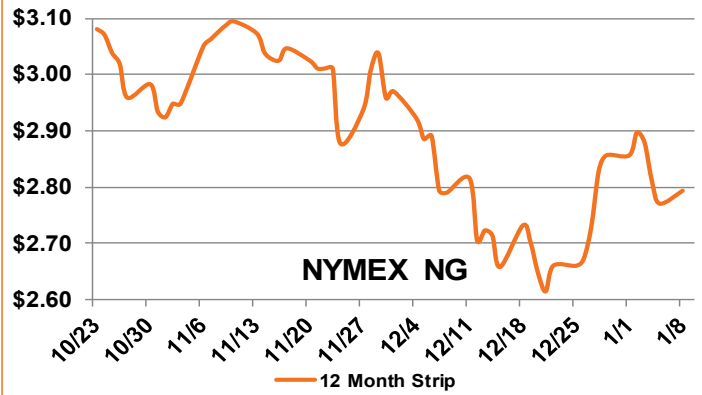
Summary: Despite the projected warm-up expected to overtake the country this week, the prompt month gained four cents to \$2.835 on Monday. The 12-month strip gained two cents to \$2.79, 2019 gained 1.6 cents to \$2.78, and 2020 rose 1.4 cents to \$2.80. The eastern half of the country should thaw over this upcoming week, reaching temperatures anywhere from three to eight degrees above normal January temperatures. The weekend should bring another cold front to the same regions that felt the recent freeze. Another upward turn in temperatures is currently forecasted for the latter part of next week. Production values are looking to make a recovery to around 76 Bcf/d over the next two weeks, which is nearly 4.0 Bcf/d higher than production values during the intense cold of last week. The lower production last week exacerbated the projected storage deficit, which was already high due to high residential and commercial demand. The storage withdrawal expected to be reported on Thursday is surmised to be record-breaking, with estimates ranging from 330 to 360 Bcf, which would bring current natural gas storage levels well below historical benchmarks.

Bullish Factors

- Low expected storage levels
- LNG exports ramping up
- Exports to Mexico at all-time high

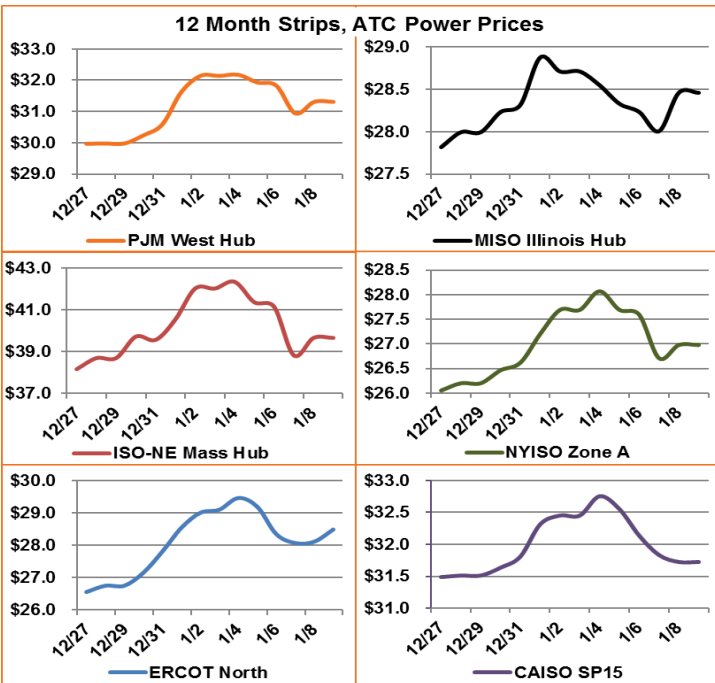
Bearish Factors

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



Next Day On-Peak Power (traded for 1/9/2018)

ISO-NE Mass Hub \$123.86	MISO Indiana Hub \$36.50	NYISO Zone G \$112.46
PJM West Hub \$44.00	ERCOT North \$22.87	CAISO SP15 \$38.53
NYMEX NG		
Feb-18	Close 2.835	Change 0.040
Mar-18	2.772	0.027
12 Month	2.793	0.023
Cal 19	2.777	0.017
Cal 20	2.800	0.014



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,126	3,332	3,318	3,318
Diff v. Current		-206	-192	-192
% Diff			-5.8%	-5.8%

