

Early Morning Update:

The Feb19 natural gas contract is trading down \$0.02 at \$2.95. The Feb19 crude contract is up \$1.42 at \$51.20.

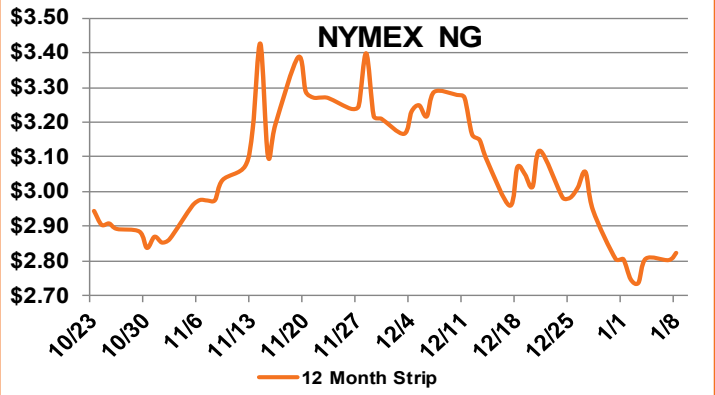
Summary: Hinged on near-term weather outlooks, the NYMEX front month contract continued its seesaw pattern yesterday, up 2.3 cents, settling at \$2.967/MMBtu, after trading in a wide range of \$2.948-\$3.053/MMBtu throughout the day. The National Weather Service revised their 8-14 day outlook slightly less bearish, decreasing the chances for warmer-than-normal temperatures in the Northeast. Analysts commented that the market may have hit a short-term floor, and \$2.90 appears to be a support level. However, after making up ground in the natural gas storage deficit with the EIA's report last week of a meager 20 Bcf draw, and more smaller-than-average draws expected in the coming weeks, near-term price gains could be limited as we head into the second half of heating demand season.

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 1/9/2019)

ISO-NE Mass Hub \$31.71	MISO Indiana Hub \$31.25	NYISO Zone G \$28.32
PJM West Hub \$31.36	ERCOT North \$24.56	CAISO SP15 \$46.10
NYMEX NG		Change
Feb-19	2.967	0.023
Mar-19	2.835	-0.012
12 Month	2.823	0.021
Cal 20	2.629	0.007
Cal 21	2.658	-0.001

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%

