

**Early Morning Update:**

The Feb19 natural gas contract is trading up \$0.10 at \$3.08.  
The Feb19 crude contract is down \$0.76 at \$51.60.

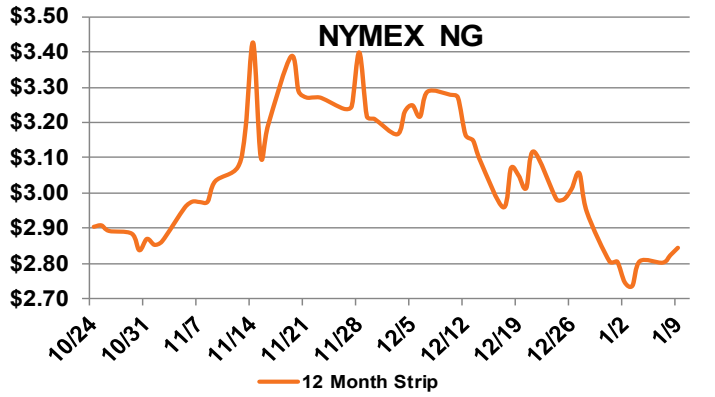
**Summary:** The February 2019 NYMEX natural gas contract rose 1.7 cents yesterday to settle at \$2.984/MMBtu. U.S. total demand increased 13.9 Bcf/d from January 8 to 107.6 Bcf/d on Wednesday, driven by a large jump in the ResComm sector of 9.6 Bcf/d. Temperatures were forecast to decline eight degrees into January 9, with temperatures in the Northeast and Southeast forecast to decline significantly through the end of this week. Additionally, exports to Mexico were set to reach 5.2 Bcf/d, which would represent a record daily high. Also, nuclear outages across the country have averaged more than 4.2 GW thus far in 2019. That level represents a more than four-fold increase over the same period in 2018. In addition, no capacity is expected to come back online until January 18, indicating outages are likely to run high through the bulk of the winter.

**Bullish Factors**

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

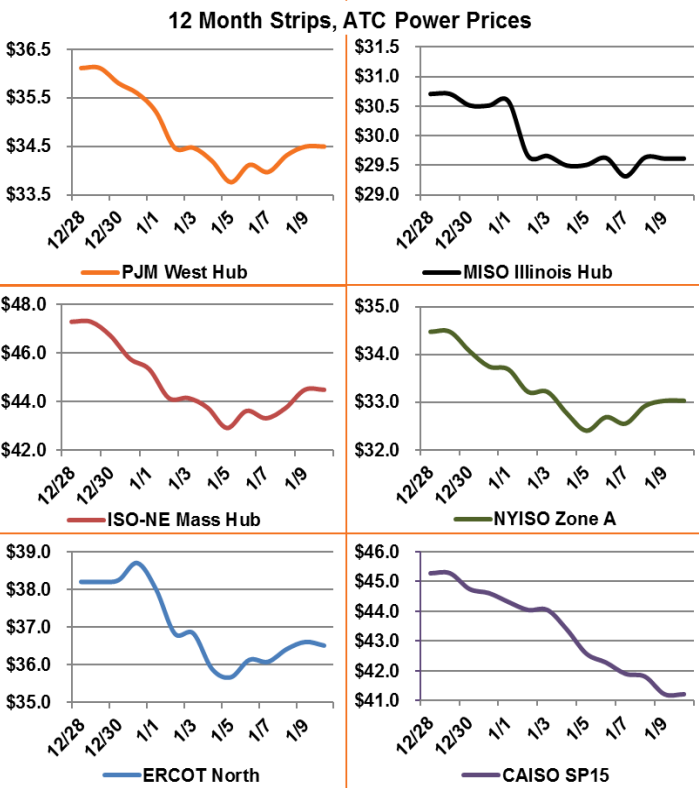
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 1/10/2019)**

<b>ISO-NE Mass Hub</b> \$49.80	<b>MISO Indiana Hub</b> \$34.31	<b>NYISO Zone G</b> \$37.55
<b>PJM West Hub</b> \$37.10	<b>ERCOT North</b> \$21.95	<b>CAISO SP15</b> \$41.00
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
<b>Feb-19</b>	2.984	0.017
<b>Mar-19</b>	2.840	0.005
<b>12 Month</b>	2.844	0.021
<b>Cal 20</b>	2.641	0.012
<b>Cal 21</b>	2.658	0.000



**EIA Natural Gas Storage**

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

