

Early Morning Update:

The Feb19 natural gas contract is trading up \$0.06 at \$3.02.
The Feb19 crude contract is down \$0.61 at \$51.98.

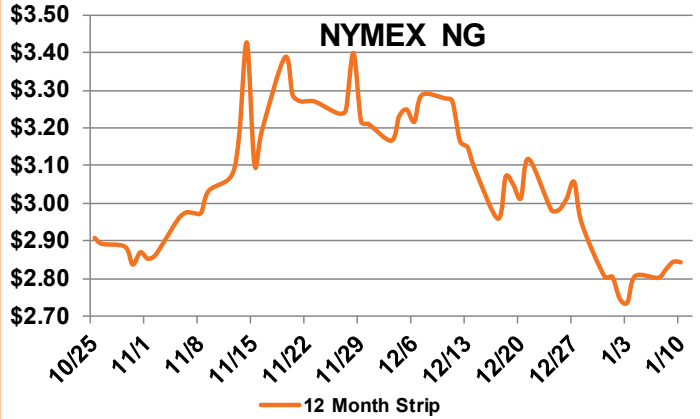
Summary: Yesterday the EIA reported a draw from storage of 91 Bcf. In the report, 4 bcf of gas was reclassified making the implied draw 87 Bcf. The market ended up with little reaction and close the day lower by \$.015 to finish at \$2.969. Power market were also mostly quiet on a rare slow day in the gas and power markets. As we look to the weather forecasts, we are seeing some of the mild weather leave the US and colder temps are moving in. Towards the end of the month, forecasts are calling for some below-average temps along the east coast which should pick up demand. Original long-term forecasts for this winter showed a back-loaded winter so we will see if Feb ends up being colder than Jan. There is still plenty of winter left.

Bullish Factors

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

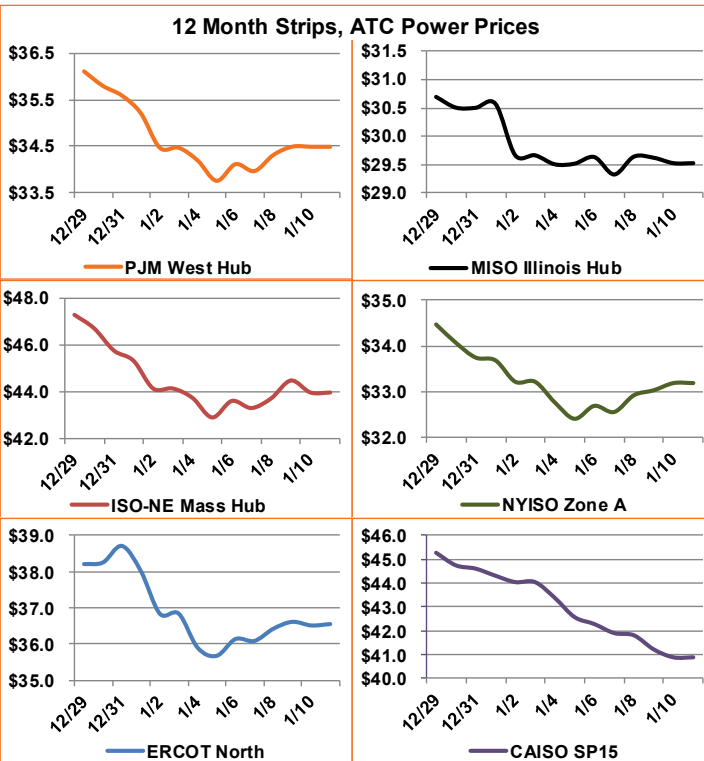
Bearish Factors

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



Next Day On-Peak Power (traded for 1/11/2019)

ISO-NE Mass Hub \$60.74	MISO Indiana Hub \$32.25	NYISO Zone G \$56.65
PJM West Hub \$40.57	ERCOT North \$20.92	CAISO SP15 \$37.00
NYMEX NG	Close	Change
Feb-19	2.969	-0.015
Mar-19	2.813	-0.027
12 Month	2.844	-0.001
Cal 20	2.651	0.011
Cal 21	2.669	0.011



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,614	2,705	2,818	3,078
Diff v. Current		-91	-204	-464
% Diff			-7.2%	-15.1%

