

Early Morning Update:

The Feb18 natural gas contract is trading down \$0.14 at \$3.06. The Feb18 crude contract is down \$0.30 at \$64.00.

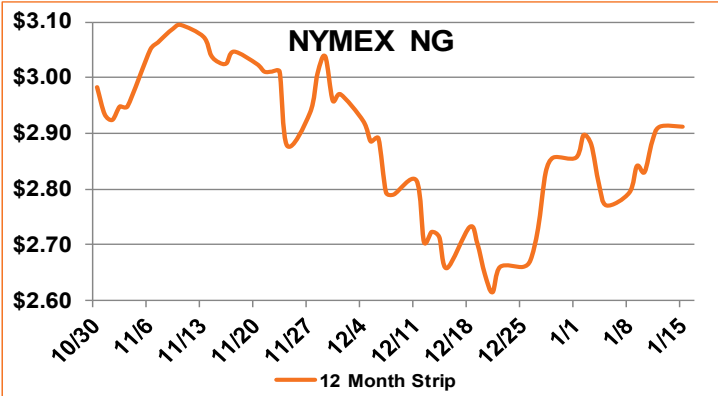
Summary: The natural gas market was closed yesterday in observance of Martin Luther King, Jr. Day, but mixed fundamentals continue to dominate the forecast for the rest of the week. Frigid temperatures are currently bringing a refreeze to the already chilled and snowy eastern U.S., but warmer air is on the horizon starting late Tuesday, into Wednesday. The rest of January looks to finish mild, but may not be enough to compensate for the early cold. This frosty start to the year comes on the heels of the announcement that 2017 was the third warmest on record in the continental U.S., being beaten out only by 2012 and 2016. In pipeline expansion news, FERC approved construction of the Gulf Xpress pipeline today, which will aim to turn plentiful Northeast capacity southbound to high demand areas in Louisiana. This will expand capacity by 860 MMcf/d from the CGT interconnect with TCO in Kentucky, adding seven new compressor stations on its way down to Louisiana.

Bullish Factors

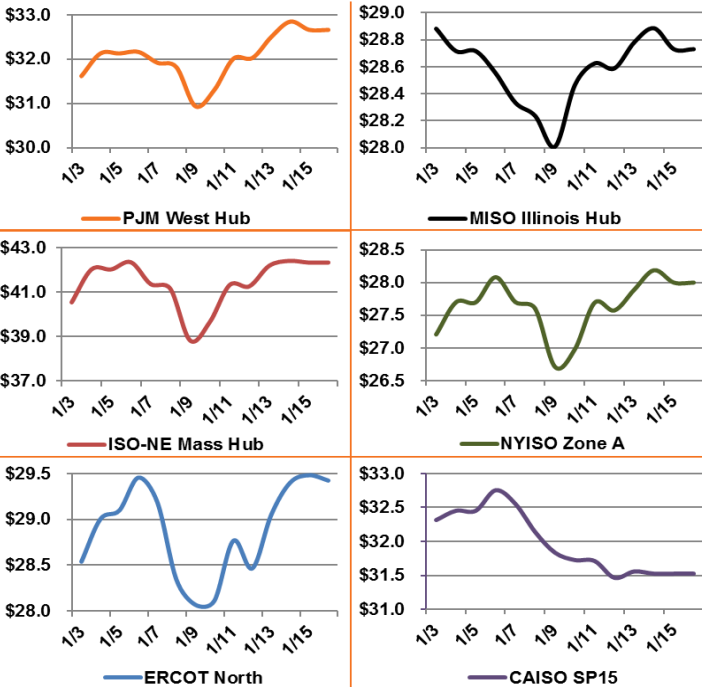
- Low expected storage levels
- LNG exports ramping up
- Exports to Mexico at all-time high

Bearish Factors

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



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 1/16/2018)

ISO-NE Mass Hub \$135.00	MISO Indiana Hub \$56.18	NYISO Zone G \$108.79
PJM West Hub \$89.47	ERCOT North \$77.50	CAISO SP15 \$40.06
NYMEX NG	Close	Change
Feb-18	3.200	0.116
Mar-18	2.993	0.068
12 Month	2.912	0.027
Cal 19	2.811	0.003
Cal 20	2.820	0.000

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,767	3,126	3,182	3,149
Diff v. Current		-359	-415	-382
% Diff			-13.0%	-12.1%

