

Early Morning Update:

The Feb19 natural gas contract is trading up \$0.09 at \$3.59. The Feb19 crude oil contract is down \$0.51 at \$51.60.

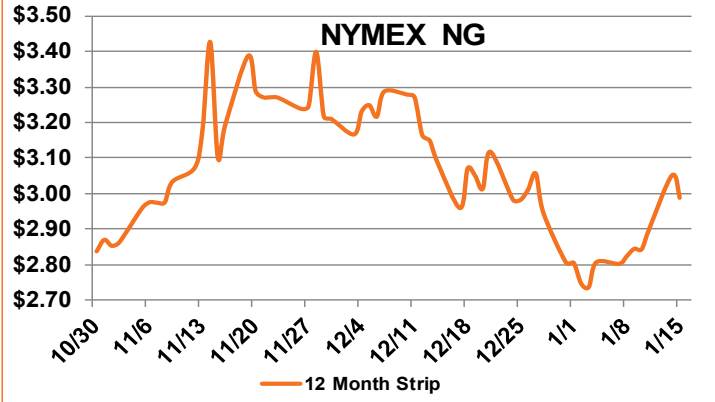
Summary: After the prompt month climbed nearly 50 cents to start the week, Tuesday saw NYMEX pull back, with the February contract falling nine cents to close at \$3.501/MMBtu, and the 12-month strip closed back below \$3, after falling six cents to \$2.988/MMBtu. Early on in the day, the prompt month was trading up nine cents, but reversed directions as overnight revisions to weather models suggested slightly warmer temperatures than previously forecasted for the back half of the second week. Production remains steady for now, but the anticipated severe cold across natural gas producing regions through the end of the month create the potential for wellhead freeze-offs to curb production just as ResComm demand is increasing.

Bullish Factors

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

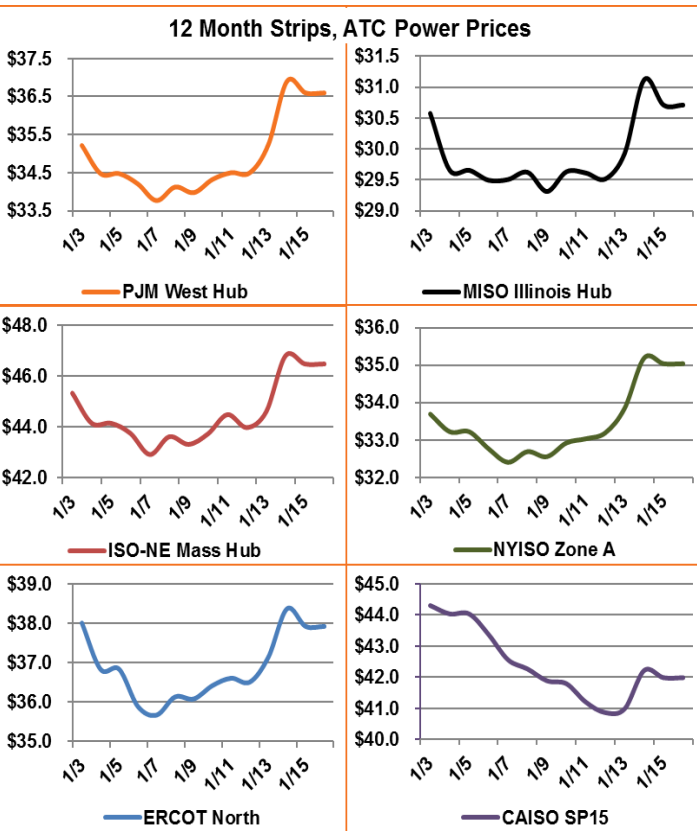
Bearish Factors

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



Next Day On-Peak Power (traded for 1/16/2019)

ISO-NE Mass Hub \$62.08	MISO Indiana Hub \$32.00	NYISO Zone G \$44.28
PJM West Hub \$32.40	ERCOT North \$26.50	CAISO SP15 \$48.03
NYMEX NG	Close	Change
Feb-19	3.501	-0.090
Mar-19	3.249	-0.040
12 Month	2.988	-0.063
Cal 20	2.655	-0.010
Cal 21	2.671	-0.008



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%

