

Early Morning Update:

The Feb19 natural gas contract is trading down \$0.19 at \$3.23. The Feb19 crude oil contract is up \$0.58 at \$52.65.

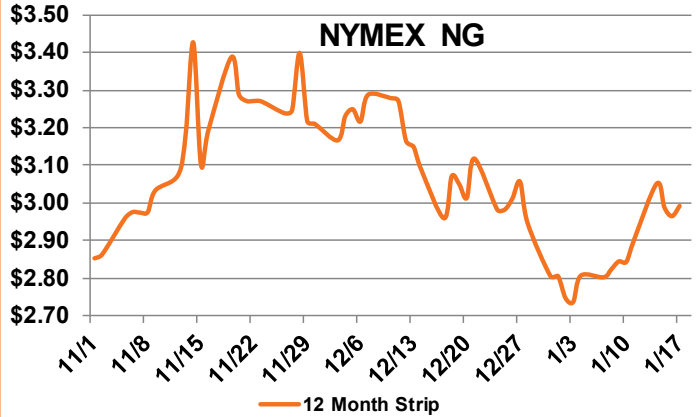
Summary: Market volatility continues as weather forecasts seem to be revised multiple times a day. The prompt contract traded all the way up to \$3.593 yesterday and as low as \$3.367 before finally settling at a rather benign \$3.413, up \$0.029 on the day. The market had been trading higher all morning, even after the storage report of 81 Bcf, but fell in the afternoon as weather forecasts were again revised to show less frigid temperatures. The draw of 81 Bcf leaves us only 77 Bcf behind last year (3%). The storage draws are forecast to pick up though with the expected colder weather. With the larger draws, the latest end/winter storage estimates are calling for slightly less than 1,300 Bcf. This is down from nearly 1,500 only 2 weeks ago — a huge change entirely related to the change in weather forecasts.

Bullish Factors

- Colder temps
- High LNG exports
- Low storage levels

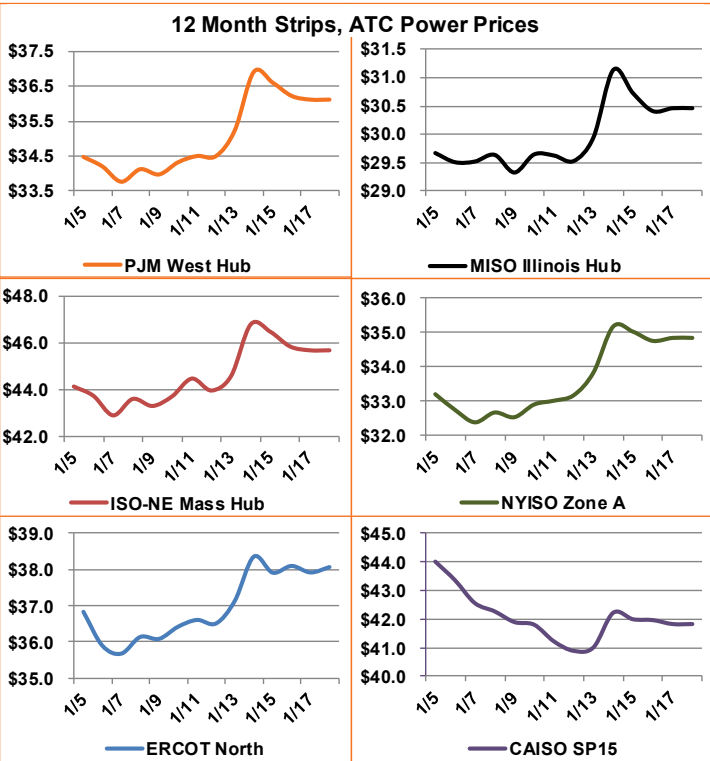
Bearish Factors

- Record NG production
- Higher demand
- Higher associated gas production



Next Day On-Peak Power (traded for 1/18/2019)

ISO-NE Mass Hub \$77.47	MISO Indiana Hub \$32.00	NYISO Zone G \$51.71
PJM West Hub \$32.27	ERCOT North \$20.09	CAISO SP15 \$41.00
NYMEX NG		Change
Feb-19	3.413	0.029
Mar-19	3.174	0.027
12 Month	2.992	0.027
Cal 20	2.638	0.011
Cal 21	2.653	0.013



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,533	2,614	2,610	2,860
Diff v. Current		-81	-77	-327
% Diff			-3.0%	-11.4%

