

Early Morning Update:

The Feb19 natural gas contract is trading down \$0.29 at \$3.19. The Feb19 crude oil contract is down \$1.00 at \$52.80.

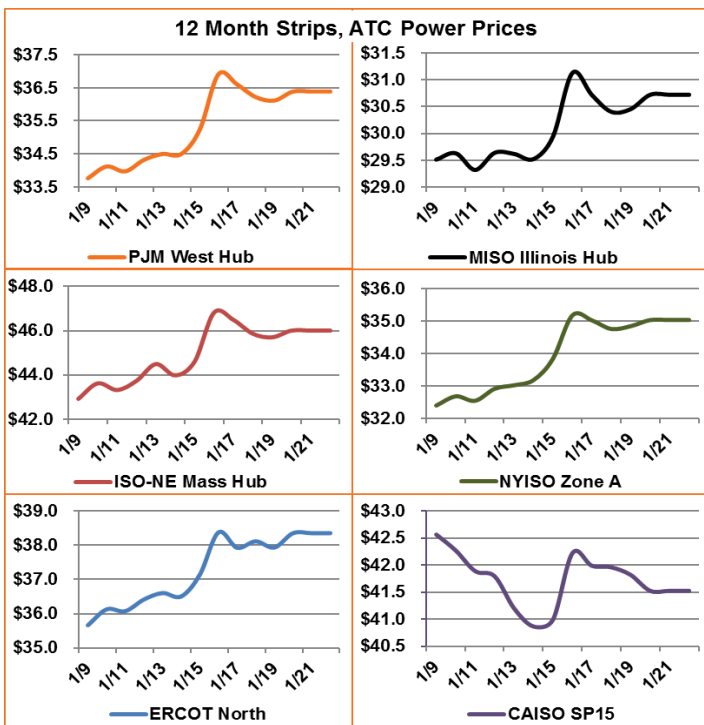
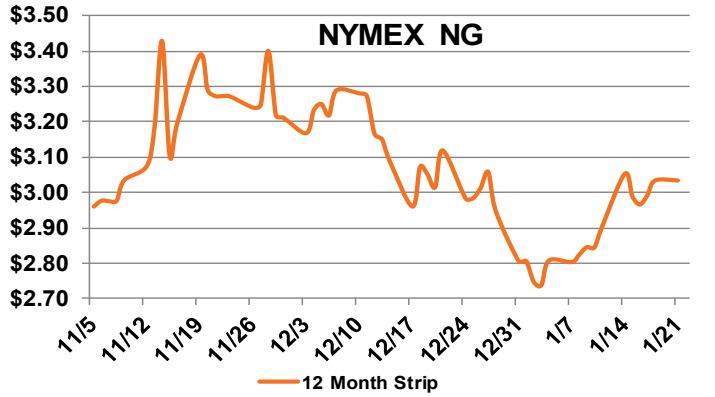
Summary: Frigid temperatures spanning the East Coast and Midwest urged natural gas futures up on Friday ahead of the holiday weekend, during which the highest demand in 2019 was recorded. The prompt month moved up nearly seven cents to \$3.482, the 12-month strip gained four cents to \$3.033, and 2020 and 2021 ticked up two and one cents, respectively, to \$2.750 and \$2.648. Total demand across the country edged up over 128 Bcf/d on Monday on the brutal cold moving across many high demand centers in the U.S. Year-to-date high demand was also coupled with a 2019 low in production, hitting 82.9 Bcf/d on large declines in the South and Northeast. This could be due to freeze-offs, with temperatures approaching zero degrees in some high producing areas likely forcing some shut-ins. The weather looks to moderate slightly through the end of the week, but more cold appears to be on the horizon to close out January and open February for the same hard-hit areas as this weekend.

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 1/22/2019)

ISO-NE Mass Hub	\$108.00	MISO Indiana Hub	\$38.48	NYISO Zone G	\$106.36
PJM West Hub	\$57.85	ERCOT North	\$20.37	CAISO SP15	\$41.00
NYMEX NG	Close	Change			
Feb-19	3.482	0.069			
Mar-19	3.239	0.065			
12 Month	3.033	0.041			
Cal 20	2.648	0.010			
Cal 21	2.662	0.009			

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%

