

**Early Morning Update:**

The Feb19 natural gas contract is trading up \$0.09 at \$3.13. The Feb19 crude oil contract is up \$0.29 at \$53.30.

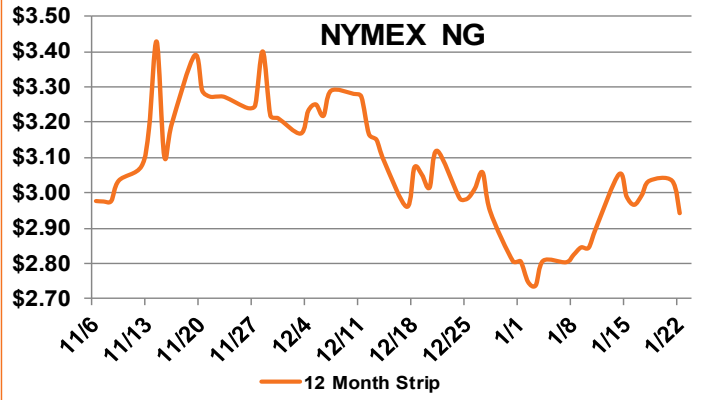
**Summary:** Amid frigid temperatures attributing to high natural gas demand and lower supply, likely due to production well freeze-offs, interestingly, the NYMEX NG prompt month lost 44.2 cents yesterday, settling at \$3.04/MMBtu. Although cold weather is far from over, the ~20 degree below normal temperatures in northeast U.S. demand centers are behind us, according to the 15-day outlook, and demand is expected to drop about 10% from the weekend highs for the balance of the month. An explosion at the TETCO M2 Berne compressor station in Southwest Ohio Monday night resulted in a Force Majeure being called and southbound gas flows were cut by more than 1.0 Bcf/d. Initial reports indicate Northeast production shut-ins due to maintenance, with no estimated return-to-service date. Explosions in the past have taken months to complete maintenance to repair the infrastructure.

**Bullish Factors**

- Colder temps
- High LNG exports
- Low storage levels

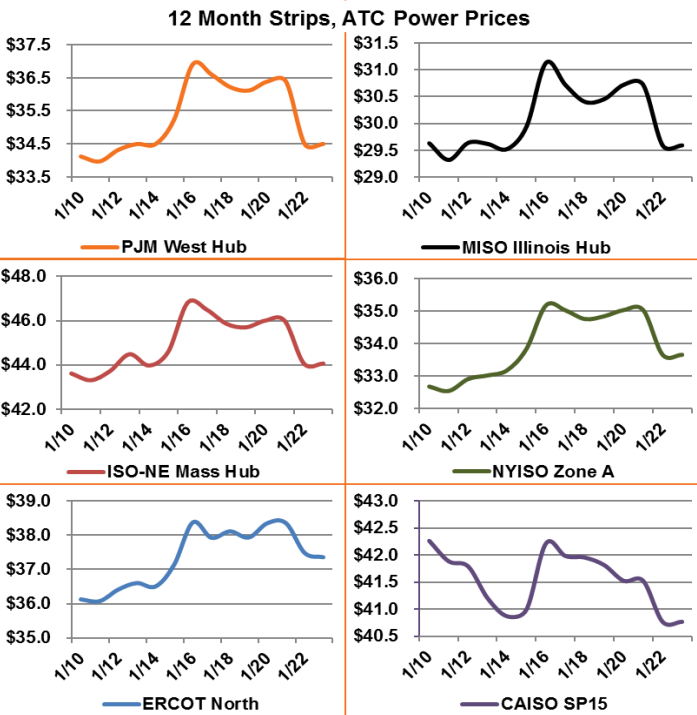
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 1/23/2019)**

ISO-NE Mass Hub \$50.93	MISO Indiana Hub \$31.93	NYISO Zone G \$62.11
PJM West Hub \$31.70	ERCOT North \$30.25	CAISO SP15 \$40.88
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Feb-19	3.040	-0.442
Mar-19	2.972	-0.267
12 Month	2.941	-0.092
Cal 20	2.659	0.011
Cal 21	2.675	0.013



**EIA Natural Gas Storage**

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

