

**Early Morning Update:**

The Feb18 natural gas contract is trading up \$0.03 at \$3.54. The Feb18 crude contract is up \$0.94 at \$66.55.

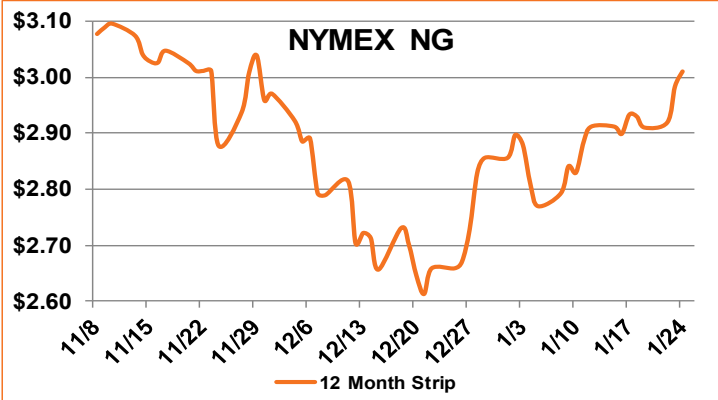
**Summary:** Natural gas trading on Wednesday opened the session up ten cents, further extending the rally from the previous day, but lost strength late in the day, spending some time in the negative region, before closing up 6.5 cents at \$3.509. Weather forecasts for the start of February have turned very cold for the Midwest, and the cold is expected to intensify into the second week of February. At this point, it's unclear how intense and prolonged this next front might be for the Northeast markets, which are enjoying a brief reprieve from the extreme cold and volatility experienced over the last several weeks. The start of the new year brought record cold to much of the Northeast, sharply increasing heating demand and drawing heavily on gas storage. With another strong cold front on the horizon, the market is contemplating the potential for freeze-offs to again limit gas production as heating demand accelerates, leading to a further decline in storage, which currently lags the 5-year average by nearly 12%. The market is expecting a withdrawal this week of roughly 275 Bcf when the EIA releases the weekly storage report, which is a bullish projection when compared to last year's withdrawal of 137 Bcf and the 104 Bcf 5-year average withdrawal.

**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

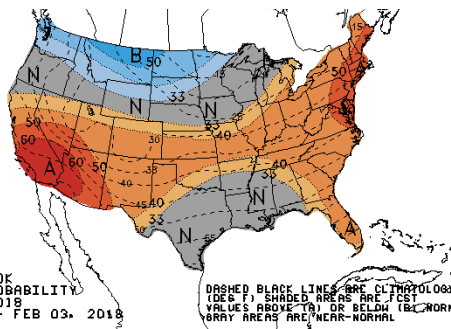
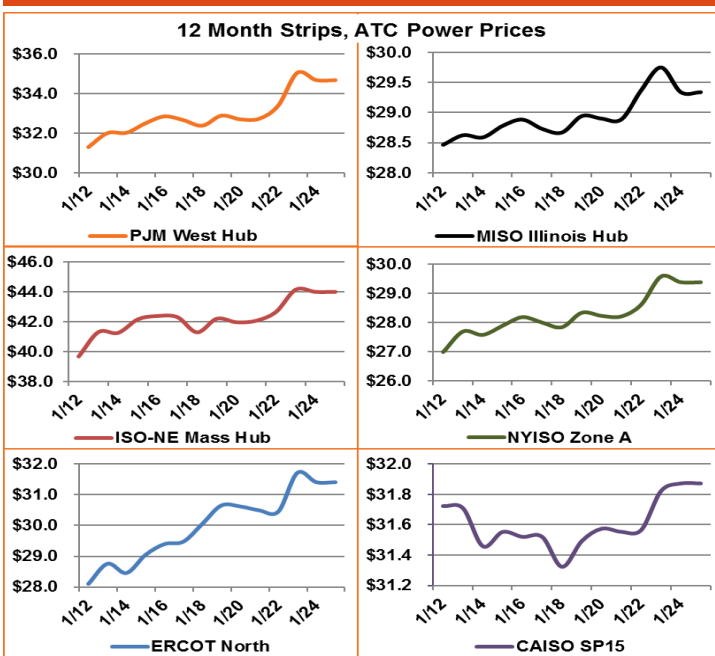


**Next Day On-Peak Power (traded for 1/25/2018)**

<b>ISO-NE Mass Hub</b> \$114.46	<b>MISO Indiana Hub</b> \$32.25	<b>NYISO Zone G</b> \$39.50 1/22/18
<b>PJM West Hub</b> \$40.52	<b>ERCOT North</b> \$25.92	<b>CAISO SP15</b> \$33.77
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Feb-18	3.509	0.065
Mar-18	3.080	0.041
12 Month	3.010	0.027
Cal 19	2.825	0.004
Cal 20	2.815	-0.003

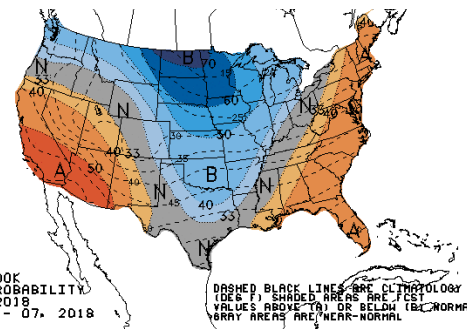
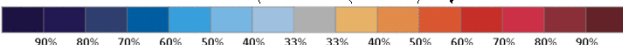
**EIA Natural Gas Storage**

<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>	2,584	2,767	2,952	2,946
<b>Diff v. Current</b>		-183	-368	-362
<b>% Diff</b>			-12.5%	-12.3%



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 24 JAN 2018  
VALID JAN 30 - FEB 03, 2018

DASHED BLACK LINES ARE CLIMATOLOGY  
(DEG F). SHADED AREAS ARE PROBABILITY  
VALUES ABOVE (A) OR BELOW (B) NORMAL  
GRAY AREAS ARE WEAR-NORMAL



8-14 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 24 JAN 2018  
VALID FEB 01 - 07, 2018

DASHED BLACK LINES ARE CLIMATOLOGY  
(DEG F). SHADED AREAS ARE PROBABILITY  
VALUES ABOVE (A) OR BELOW (B) NORMAL  
GRAY AREAS ARE WEAR-NORMAL

