

Early Morning Update:

The Feb18 natural gas contract is trading up \$0.03 at \$3.47. The Feb18 crude contract is up \$0.08 at \$65.59.

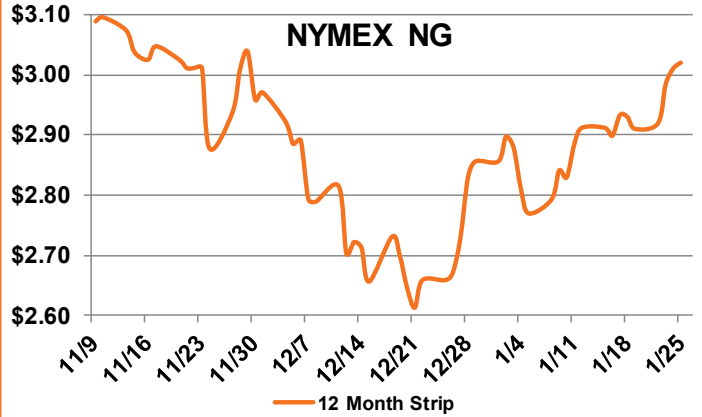
Summary: Choppy trading continues at the front of the curve, with the prompt NG contract finishing down \$0.062 to close at \$3.447. For much of the day, the prompt month was lower while the March contract was much higher, nearly \$3.17 at one point. There is a high amount of volatility to the weather forecasts, which is causing gas and power prices to move around significantly. The EIA reported a huge draw from storage yesterday of 288 Bcf, reflecting the cold temperatures of the prior week. The draw of 288 Bcf is tied for the 2nd largest draw ever, with the record being set earlier this winter at -359. With more cold on the way, we're likely to see further large withdrawals which is causing the end-winter estimates to continue to drop - now at 1,220 Bcf.

Bullish Factors

- Low expected storage levels
- LNG exports ramping up
- Exports to Mexico at all-time high

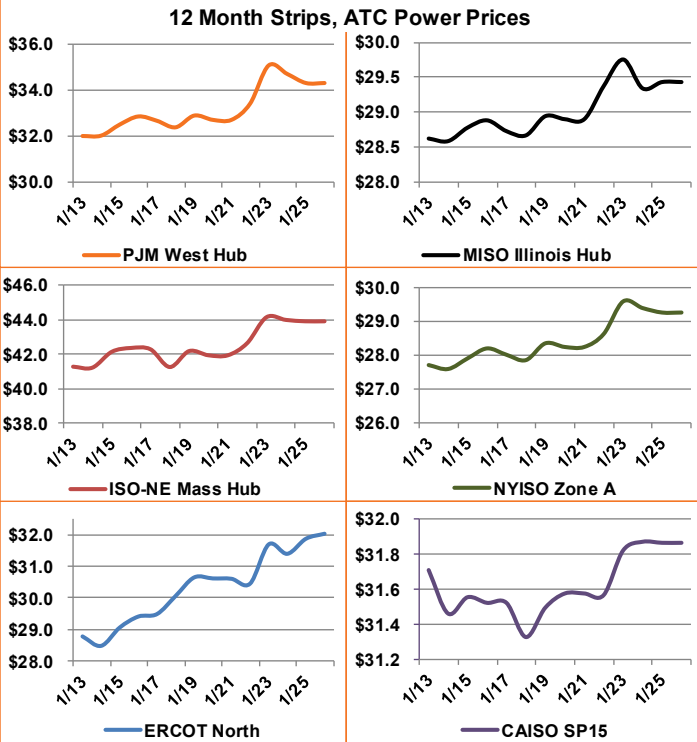
Bearish Factors

- NG production at record levels
- Growing renewable energy generation
- Increased NG pipeline capacity



Next Day On-Peak Power (traded for 1/26/2018)

ISO-NE Mass Hub \$96.31	MISO Indiana Hub \$28.13	PJM PSEG Zone \$36.50
PJM West Hub \$33.20	ERCOT North \$25.13	CAISO SP15 \$31.50
NYMEX NG	Close	Change
Feb-18	3.447	-0.062
Mar-18	3.099	0.019
12 Month	3.020	0.010
Cal 19	2.824	-0.001
Cal 20	2.807	-0.008



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,296	2,584	2,814	2,782
Diff v. Current		-288	-518	-486
% Diff			-18.4%	-17.5%

