

Early Morning Update:

The Feb19 natural gas contract is trading down \$0.25 at \$2.93. The Mar19 crude oil contract is down \$1.04 at \$52.65.

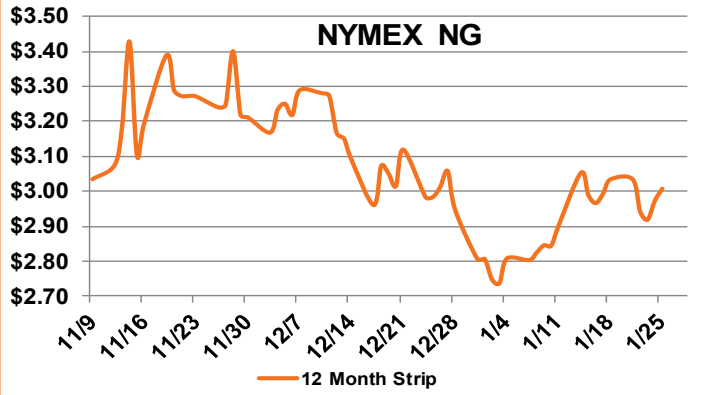
Summary: On the heels of increased demand due to frigid temperatures enveloping the middle of the country, the NYMEX natural gas contract for Feb climbed 7.9 cents to settle at \$3.178/MMBtu on Friday. The March contract, which is set to debut as the prompt month on Wednesday, also rose 7.4 cents, closing out the week at \$3.072. Total U.S. demand reached 125.3 Bcf/d, a jump of over 10 Bcf/d from Thursday. Most of the increase came from the Res/Comm sector, which saw a day-over-day increase of 8.4 Bcf/d. However, total demand tumbled over the weekend, falling to 113.1 on Sunday, as average U.S. temperatures warmed up a bit. The latest weather forecasts from the National Weather Service show warmer-than-normal temperatures spreading out across most of the southern half of the country in the next 6-10 days, and extending into the Mid-Atlantic and Northeast in the 8-14 day outlook. Also offering price support on Friday, dry production continues to struggle, averaging just 84.2 Bcf/d over the past six days, down from the all-time high of 87.4 Bcf/d reached on Nov. 30.

Bullish Factors

- Colder temps
- High LNG exports
- Low storage levels

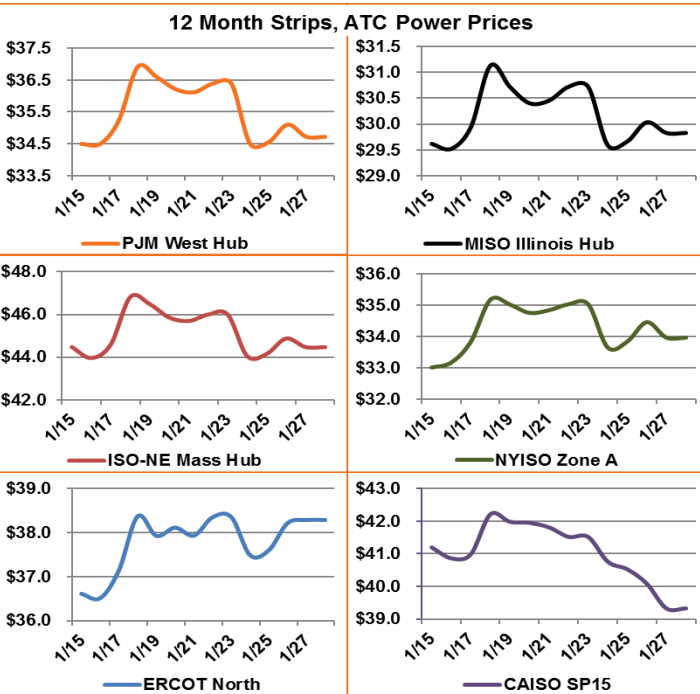
Bearish Factors

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



Next Day On-Peak Power (traded for 1/28/2019)

ISO-NE Mass Hub \$64.34	MISO Indiana Hub \$32.00	NYISO Zone G \$48.63
PJM West Hub \$31.25	ERCOT North \$20.01	CAISO SP15 \$40.84
NYMEX NG		Change
Feb-19	3.178	0.079
Mar-19	3.072	0.074
12 Month	3.006	0.034
Cal 20	2.646	0.004
Cal 21	2.659	0.009



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,370	2,533	2,337	2,675
Diff v. Current		-163	33	-305
% Diff			1.4%	-11.4%

