

**Early Morning Update:**

The Mar19 natural gas contract is trading down \$0.04 at \$2.86. The Mar19 crude oil contract is up \$0.49 at \$53.80.

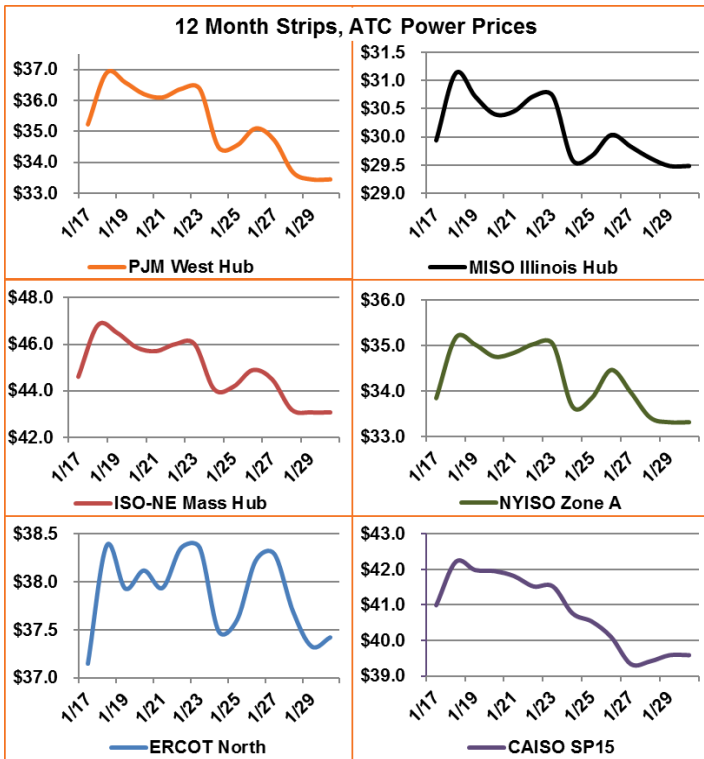
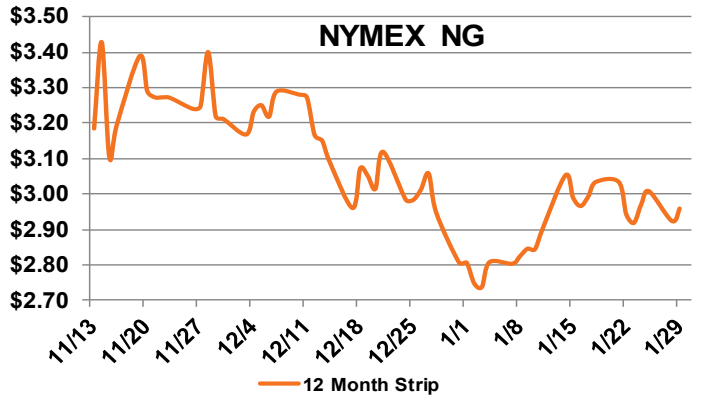
**Summary:** After trading down by as much as 12 cents in the morning, the February prompt month contract rallied 16 cents to settle at \$2.95/MMBtu. This is the lowest February settlement price since 2016. The upward movement carried throughout the 12-month strip, with each month moving up to average a 3.5 cent gain on the day to \$2.957/MMBtu. However, the upward momentum was limited in the further out terms, as the 2020 strip gained less than a penny to \$2.761/MMBtu, and the 2021 calendar strip barely moved, dropping just slightly to \$2.638/MMBtu. As the polar vortex moves throughout the Midwest and Northeast, driving up ResComm demand, the current surplus of natural gas in storage to the year-ago levels appears to be short-lived. The next two reports are expected to show withdrawals greater than last year by about 190 Bcf, putting us back into deficit territory just as we get to the middle of February.

**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 1/30/2019)**

<b>ISO-NE Mass Hub</b> \$93.53	<b>MISO Indiana Hub</b> \$67.38	<b>NYISO Zone G</b> \$89.40
<b>PJM West Hub</b> \$68.96	<b>ERCOT North</b> \$27.30	<b>CAISO SP15</b> \$39.93
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
<b>Feb-19</b>	2.950	0.039
<b>Mar-19</b>	2.903	0.030
<b>12 Month</b>	2.958	0.035
<b>Cal 20</b>	2.639	-0.002
<b>Cal 21</b>	2.651	0.002

**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>	2,370	2,533	2,337	2,675
<b>Diff v. Current</b>		-163	33	-305
<b>% Diff</b>			1.4%	-11.4%

