

Daily Market Update

January 31, 2018

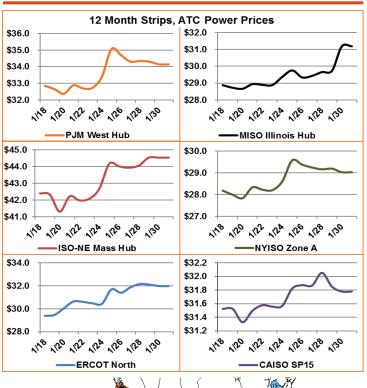
Early Morning Update:

The Mar18 natural gas contract is trading down \$0.13 at \$3.07. The Mar18 crude contract is down \$0.20 at \$64.30.

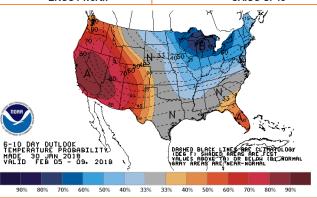
Summary: During its first day as prompt month, the March 2018 natural gas contract gained a modest 2.8 cents to finish the day at \$3.195/MMBtu, representing the contract's highest settlement price since 11/12/2017, when it settled at \$3.262/MMBtu. Nearterm weather outlooks have fluctuated over the past few weeks, resulting in near-term natural gas volatility. Primarily weather-driven natural gas demand has averaged ~103 Bcf/d for January 2017, more than 10% higher year-over-year. However, abetting the supply/demand balance, natural gas production has returned to record-setting levels. Monday's estimated production was 78.1 Bcf/d, a new all-time high. The next two weeks' storage reports are expected to be less than the 5-year average, gaining ground against the current 12% deficit. Weather permitting, February storage draws could be limited if growth in natural gas production

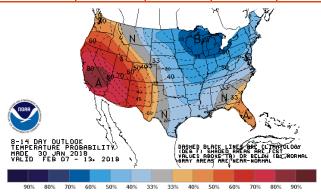
Bullish Factors Bearish Factors NG production at record levels Increased NG pipeline capacity Bearish Factors NG production at record levels Increased NG pipeline capacity





Next Day On-Peak Power (traded for 1/31/2018)						
ISO-NE Mass Hub \$92.86		MISO Indiana Hub \$35.98			NYISO Zone G \$62.00	
PJM West Hub \$44.75		ERCOT North \$26.00 1/30/18			CAISO SP15 \$33.96	
NYMEX NG		Close		Ch	Change	
Feb-18		3.195		0.	0.028	
Mar-18		2.965		0.	0.026	
12 Month		3.056		0.026		
Cal 19		2.844		0.011		
Cal 20		2.800		-0.004		
EIA Natural Gas Storage						
EIA Reported Storage (Bcf)	This Week		Last Week	Last Year	5-Year Avg.	
Total	2,296		2,584	2,815	2,782	
Diff v. Current			-288	-519	-486	
% Diff				-18.4%	-17.5%	





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