

**Early Morning Update:**

The Mar19 natural gas contract is trading up \$0.02 at \$2.87. The Mar19 crude oil contract is up \$0.37 at \$54.60.

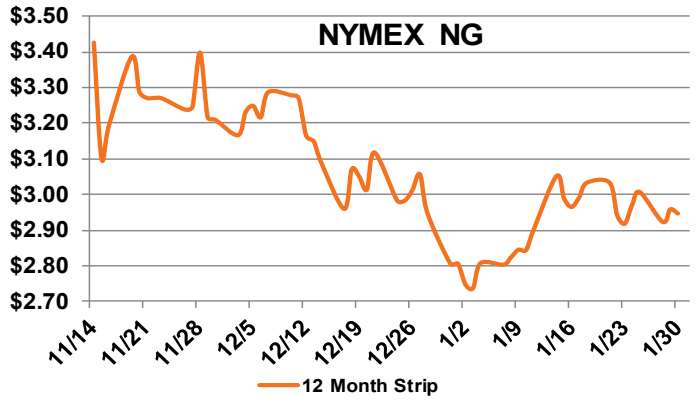
**Summary:** As polar vortex conditions push through the Midwest and into the Northeast regions of the country, the Mar19 natural gas contract gave up some ground, closing down 4.9 cents at \$2.854/MMBtu. The extremely cold conditions are driving very high demand for heating over the next several days before giving way to a serious warm-up across the region, as we move through the weekend into next week. U.S. total demand rose 15.6 Bcf/d day-on-day to hit a year-to-date high of 148.1 Bcf/d Wednesday, as power burn, res/comm, and industrial demand also climbed to new year-to-date highs. The surge was driven by res/comm, making its largest day-on-day gain in the past week of 12.3 Bcf/d to 74.3 Bcf/d. Most regions across the U.S. are experiencing colder-than-normal weather, but particularly the Midwest, where temperatures have plunged into the negatives, motivating some of the strongest draws from storage seen since winter began. The market is expecting a withdrawal of 197 Bcf when the EIA releases their weekly storage report later this morning, and end-of-season estimates have increased from last week to 1,330 Bcf.

**Bullish Factors**

- Frigid temps
- High LNG exports
- Low storage levels

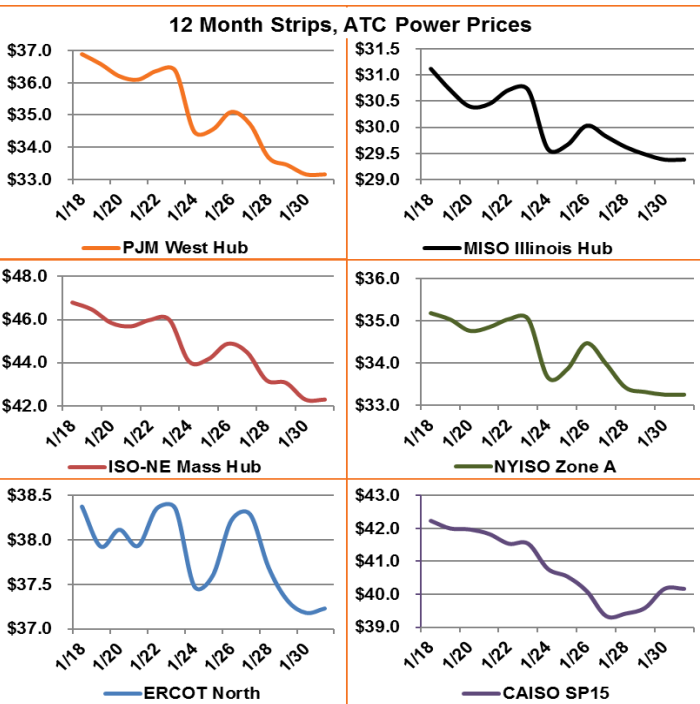
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 1/31/2019)**

<b>ISO-NE Mass Hub</b> \$107.04	<b>MISO Indiana Hub</b> \$79.15	<b>NYISO Zone G</b> \$114.78
<b>PJM West Hub</b> \$83.89	<b>ERCOT North</b> \$22.64	<b>CAISO SP15</b> \$44.30
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Feb-19	2.854	-0.049
Mar-19	2.808	-0.039
12 Month	2.946	-0.028
Cal 20	2.632	-0.006
Cal 21	2.645	-0.006



**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%

