

Early Morning Update:

The Mar19 natural gas contract is trading down \$0.06 at \$2.67. The Mar19 crude oil contract is down \$0.71 at \$54.55.

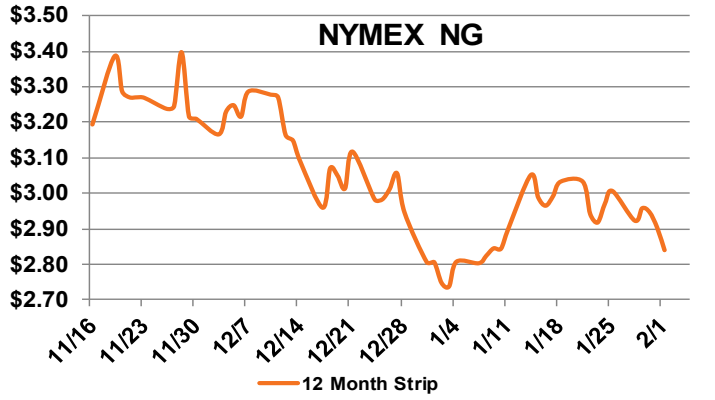
Summary: On Friday, the Mar19 NYMEX natural gas futures price continued to slide, falling eight cents on the day to settle at \$2.734/MMBtu. The months for the balance of 2019 also followed suit, dropping by a few cents. This downward trend comes after a week of extreme cold for the mid-con and northeastern regions. The 1-5 day weather outlook continues to warm, blanketing most of the eastern half of the country and Texas. Demand for natural gas over the next week is also expected to fall with the warming forecasts, dropping to just over 94 Bcf/d, much lower than the demand last Thursday of over 132 Bcf/d. The EIA reported a bearish storage withdrawal of 173 Bcf, much lower than expectations, but higher than the 126 Bcf withdrawal seen last year for the corresponding week, as well as the -150 Bcf five-year average. Colder-than-normal temperatures return later in the February forecasts as a reminder that winter is not over yet. Total U.S. dry production has recovered from the well-head freeze offs and shut-ins due to the cold, and is back over 84 Bcf/d.

Bullish Factors

- High LNG exports
- Higher demand
- Low storage levels

Bearish Factors

- Record NG production
- Mild temperatures
- Higher associated gas production

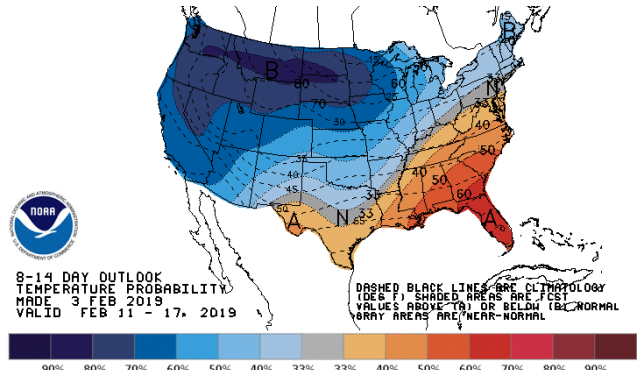
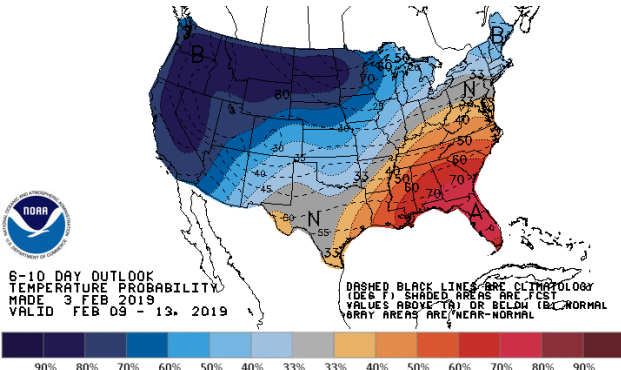
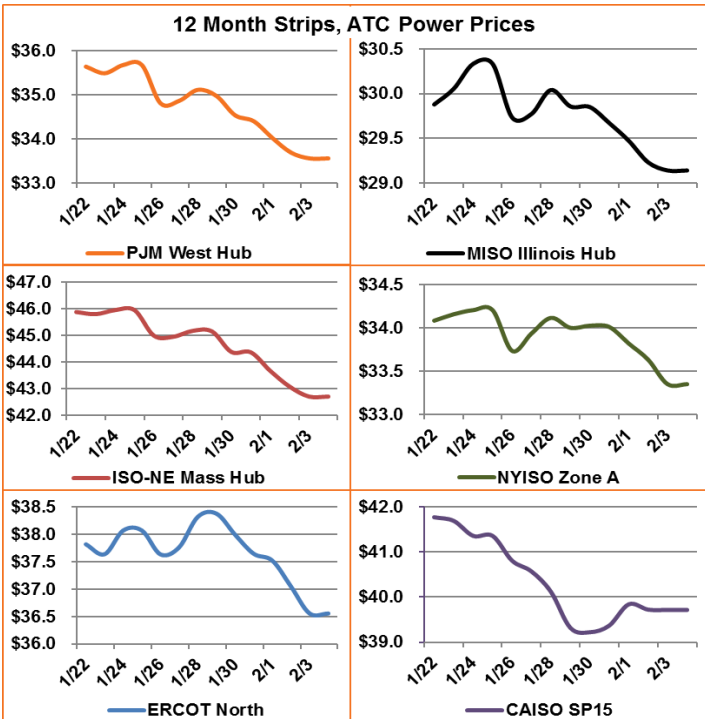


Next Day On-Peak Power (traded for 2/4/2019)

ISO-NE Mass Hub \$40.00	MISO Indiana Hub \$27.00	NYISO Zone G \$34.00
PJM West Hub \$26.84	ERCOT North \$23.99	CAISO SP15 \$44.87
NYMEX NG	Close	Change
Mar-19	2.734	-0.080
Apr-19	2.699	-0.066
12 Month	2.839	-0.064
Cal 20	2.616	0.007
Cal 21	2.643	0.008

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,197	2,370	2,211	2,525
Diff v. Current		-173	-14	-328
% Diff			-0.6%	-13.0%



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