

### Early Morning Update:

The Mar19 natural gas contract is trading up \$0.01 at \$2.67. The Mar19 crude oil contract is down \$0.36 at \$53.30.

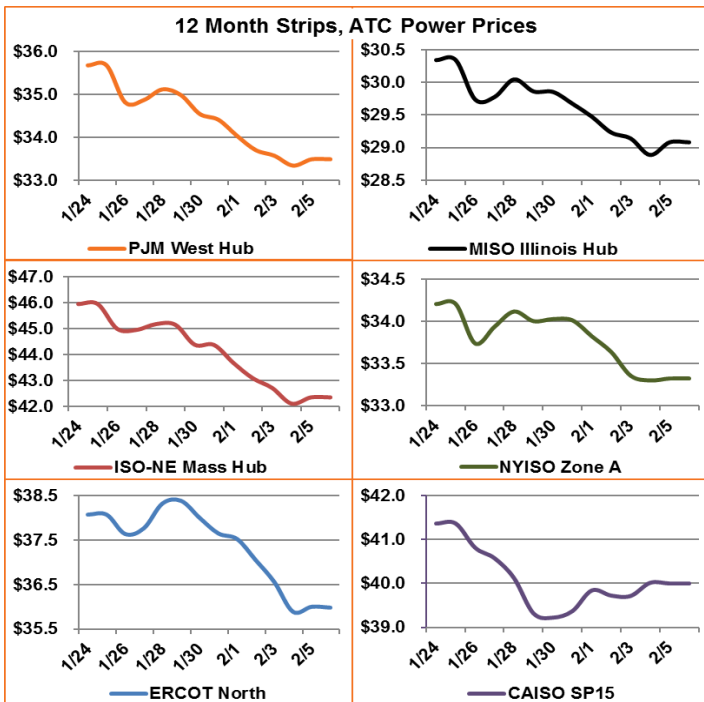
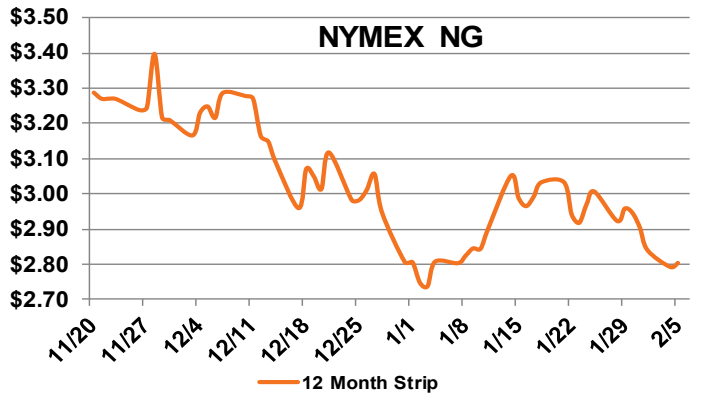
**Summary:** Trading yesterday put an end to the four-day losing streak for the NYMEX natural gas prompt month. The March contract settled at \$2.662/MMBtu, up a mere 0.2 cents from Monday's settlement. Frigid temperatures last week resulted in a record high for U.S. demand last Wednesday. Temperatures have since moderated, resulting in 89.2 Bcf/d average so far for the week, ~40% lower than last Wednesday's record high. Interestingly, calendar strips 2020-2025 gained more momentum than near-term NG pricing, increasing by about three cents, on average. In power news, Pennsylvania lawmakers issued a memo yesterday seeking sponsors for a proposal to modify alternative energy requirements to include nuclear power. If this developing proposal is approved, Pennsylvania could join New York and Illinois, two states with measures to impede closures of nuclear power plants. Natural gas and renewable generation is expected to offset the loss of retired nuclear generation. If nuclear plants are kept online, future NG demand from the power sector could be lower than current expectations.

### 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 2/6/2019)

ISO-NE Mass Hub \$33.25	MISO Indiana Hub \$28.35	NYISO Zone G \$28.60
PJM West Hub \$26.04	ERCOT North \$20.70	CAISO SP15 \$70.00
NYMEX NG		Change
Mar-19	2.662	0.002
Apr-19	2.650	0.008
12 Month	2.803	0.012
Cal 20	2.628	0.021
Cal 21	2.649	0.019

### 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%

