

Early Morning Update:

The Mar18 natural gas contract is trading down \$0.01 at \$2.57. The Mar18 crude contract is up \$1.00 at \$60.20.

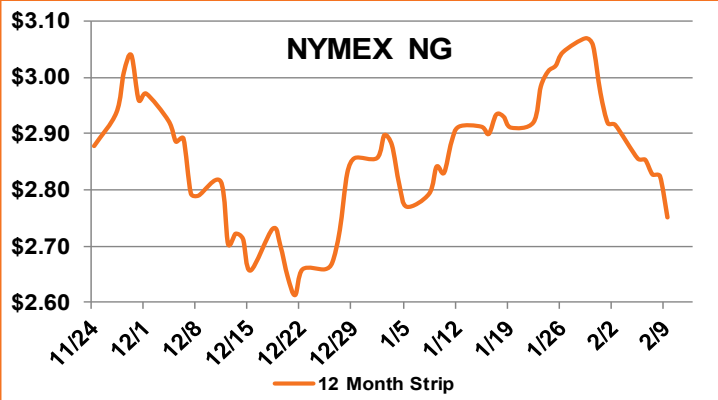
Summary: On Friday, the NYMEX natural gas futures price for March plummeted another 11.3 cents on the day to settle at \$2.584/MMBtu. According to the EIA, last week's colder weather bolstered heating demand for natural gas, pushing the total U.S. residential and commercial consumption levels up about 20%. This increase in demand is expected to result in a larger-than-normal withdrawal from storage for the week ending February 9th. Early estimates for this upcoming storage report range up into the 180s. Weather forecasts are showing warmer-than-normal temperatures for the majority of the eastern half of the country, a major demand center in the U.S. for natural gas. With moderating weather forecasts through the end of February, expectations for the end-of-season storage inventories have bumped back up to 1.38 Tcf. Despite finishing winter in deficit to last year and the five-year average, end of summer levels look to be pretty close to normal heading into next winter.

Bullish Factors

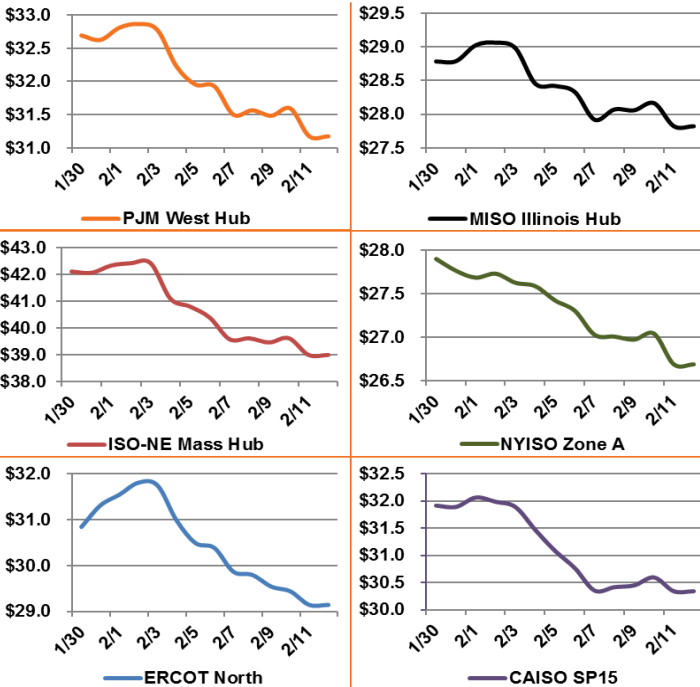
- Low expected storage levels
- LNG exports ramping up
- Exports to Mexico at all-time high

Bearish Factors

- NG production at record levels
- Growing renewable energy generation
- Increased NG pipeline capacity



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 2/12/2018)

ISO-NE Mass Hub \$32.75	MISO Indiana Hub \$28.95	NYISO Zone G \$29.94
PJM West Hub \$28.45	ERCOT North \$29.69	CAISO SP15 \$29.85
NYMEX NG	Close	Change
Mar-18	2.584	-0.113
Apr-18	2.597	-0.088
12 Month	2.751	-0.073
Cal 19	2.773	-0.031
Cal 20	2.780	-0.018

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,078	2,197	2,581	2,471
Diff v. Current		-119	-503	-393
% Diff			-19.5%	-15.9%

