

Early Morning Update:

The Mar19 natural gas contract is trading down \$0.10 at \$2.59. The Mar19 crude oil contract is up \$1.20 at \$54.30.

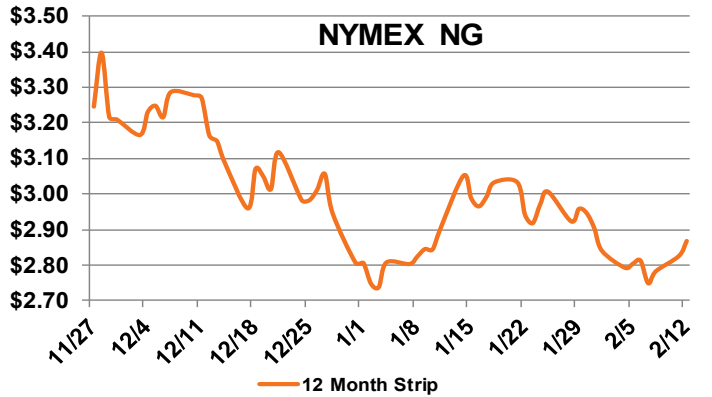
Summary: With near-term weather forecasts moving to the colder side, the March NYMEX contract settled up 4.6 cents on Tuesday at \$2.688/MMBtu. The 12-month strip closely followed suit, settling up 4.2 cents to \$2.867. This upward movement fizzled out at the end of the 2020 winter months with each month gaining about four cents through March 2020. The further out 2020 and 2021 calendar strips showed much less movement, as both moved up just under a penny to close at \$2.645 and \$2.664, respectively. The cold blast stretching across the Pacific Northwest and sneaking down into the Midwest is expected to linger through the remainder of the month. However, earlier expectations that this system could break into the eastern region have been dampened with normal to above-normal temperatures forecasted throughout the first week of March. As production has failed to climb back to its peak of 87.4 Bcf/d set in November, coupled with the increased demand from the recent polar vortex events, the end-of-season storage estimate has dropped to 1,280 Bcf, a 9-year low that would match where we were in April last year.

Bullish Factors

- High LNG exports
- Higher demand
- Low storage levels

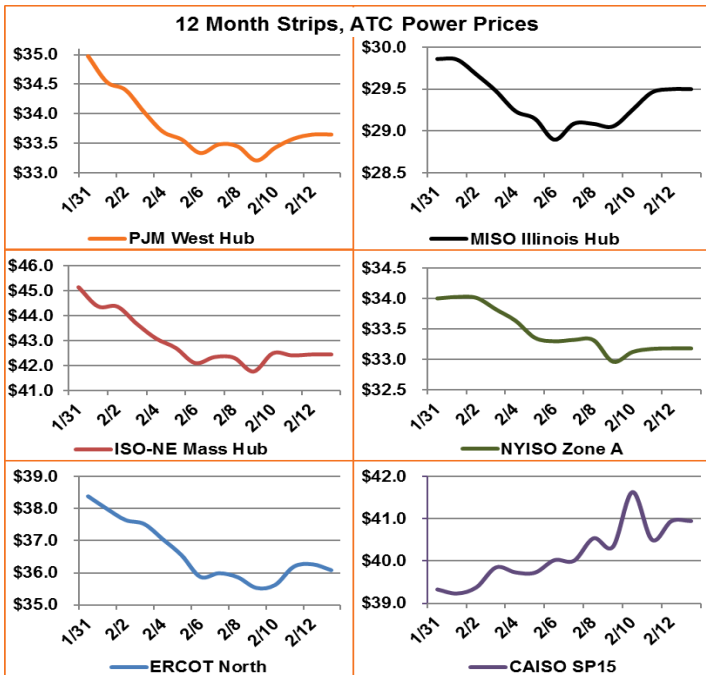
Bearish Factors

- Record NG production
- Higher associated gas production
- End of winter coming soon



Next Day On-Peak Power (traded for 2/13/2019)

ISO-NE Mass Hub \$34.00	MISO Indiana Hub \$30.08	NYISO Zone G \$27.59
PJM West Hub \$27.64	ERCOT North \$19.25	CAISO SP15 \$64.26
NYMEX NG	Close	Change
Mar-19	2.688	0.046
Apr-19	2.705	0.046
12 Month	2.867	0.042
Cal 20	2.645	0.008
Cal 21	2.664	0.008



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,960	2,197	2,095	2,375
Diff v. Current		-237	-135	-415
% Diff			-6.4%	-17.5%

