

Early Morning Update:

The Mar19 natural gas contract is trading up \$0.02 at \$2.59. The Mar19 crude oil contract is down \$0.30 at \$53.60.

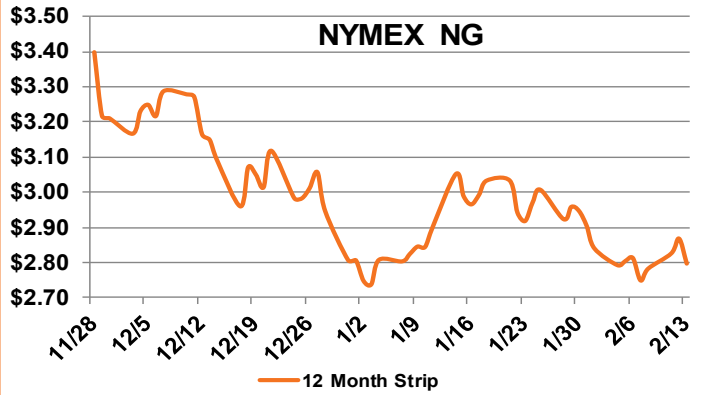
Summary: The Mar19 natural gas contract fell 11.3 cents yesterday, settling at \$2.575/MMBtu, on the heels of falling demand and warmer temperatures for the eastern half of the country in the National Weather Service's 8 to 14-day outlook. After declining for the past five consecutive days, total U.S. demand is expected to be 8.1 Bcf/d lower today than yesterday, with most of that drop (6.0 Bcf/d) coming in the ResComm sector. According to a Platt's survey, market analysts anticipate that the U.S. Energy Information Administration will report a 78 Bcf withdrawal in their weekly storage report for the week ended Feb. 8. This would be the lowest pull from storage since the last week of December, and pales compared to the 183 Bcf drop in natural gas stockpiles for the corresponding week last year, as well as the 160 Bcf five-year average withdrawal. The diminutive pull from gas inventories is reflective of the mid-winter warm-up seen last week, while the current cold wave should push up the next two storage withdrawals above historical averages.

Bullish Factors

- High LNG exports
- Higher demand
- Low storage levels

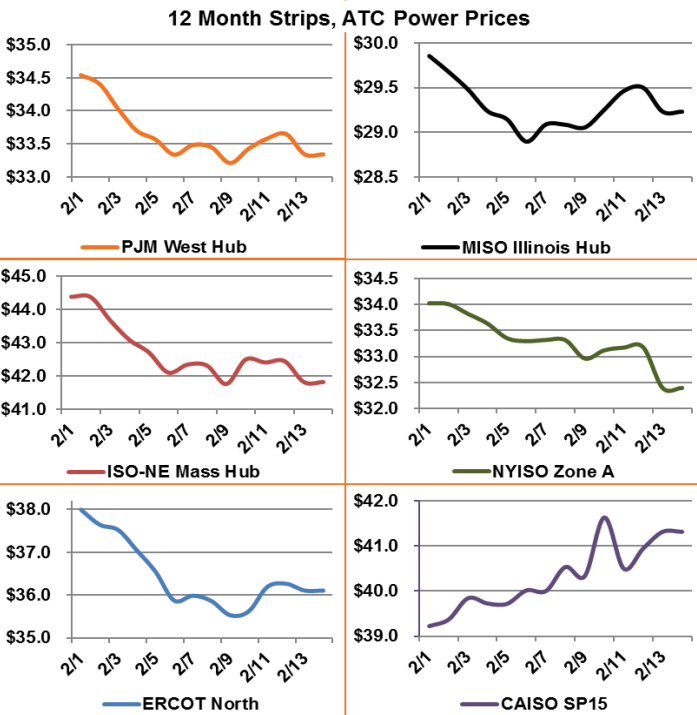
Bearish Factors

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



Next Day On-Peak Power (traded for 2/14/2019)

ISO-NE Mass Hub \$32.22	MISO Indiana Hub \$27.82	NYISO Zone G \$27.59
PJM West Hub \$26.19	ERCOT North \$21.92	CAISO SP15 \$81.85
NYMEX NG		Change
Mar-19	2.575	-0.113
Apr-19	2.621	-0.084
12 Month	2.796	-0.071
Cal 20	2.647	0.002
Cal 21	2.665	0.001



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%

