

Early Morning Update:

The Mar19 natural gas contract is trading flat to Friday's close at \$2.62. The Mar19 crude oil contract is up \$0.31 at \$55.90.

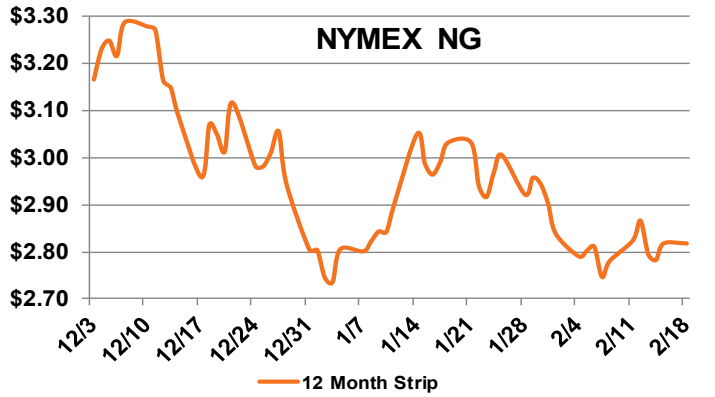
Summary: The near-term natural gas market ticked up on Friday on a colder weather outlook and expected accompanying demand increases. The March 2019 contract gained five cents to \$2.625/MMBtu, the 12-month strip shifted up 3.5 cents to \$2.819, but the 2020 and 2021 years both went down by one and two cents, respectively, to \$2.723 and \$2.636. Most of the movement is a function of lower expected temperatures across the western two-thirds of the country, which is expected to shift closer to the East Coast as we move toward the beginning of March. Over the long weekend, demand moved up nearly 16 Bcf/d, most of which comes from residential demand in the Northeast as temperatures dipped. LNG exports also increased demand over the weekend, with Corpus Christi ramping back up after nearly a month down. Production is at least keeping steady at around 85 Bcf/d, helping to keep the year-over-year storage deficit somewhat in check.

Bullish Factors

- High LNG exports
- Higher demand
- Low storage levels

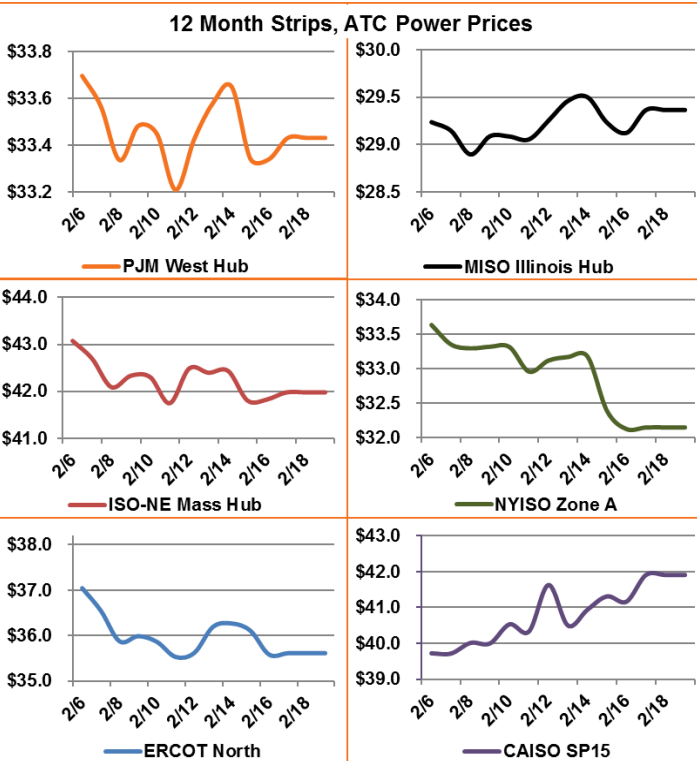
Bearish Factors

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



Next Day On-Peak Power (traded for 2/19/2019)

ISO-NE Mass Hub \$33.40 02/18/19	MISO Indiana Hub \$30.58	NYISO Zone G \$33.60
PJM West Hub \$32.69	ERCOT North \$31.70	CAISO SP15 \$84.73
NYMEX NG	Close	Change
Mar-19	2.625	0.052
Apr-19	2.656	0.046
12 Month	2.819	0.035
Cal 20	2.636	-0.018
Cal 21	2.646	-0.017



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,882	1,960	1,912	2,215
Diff v. Current		-78	-30	-333
% Diff			-6.4%	-17.5%

