

Early Morning Update:

The Mar19 natural gas contract is trading up \$0.02 at \$2.68. The Mar19 crude oil contract is down \$0.59 at \$55.50.

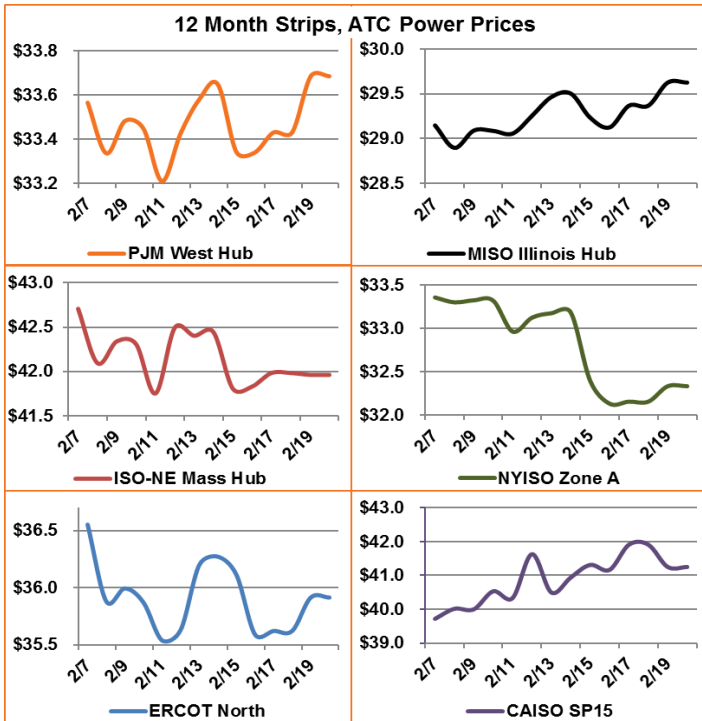
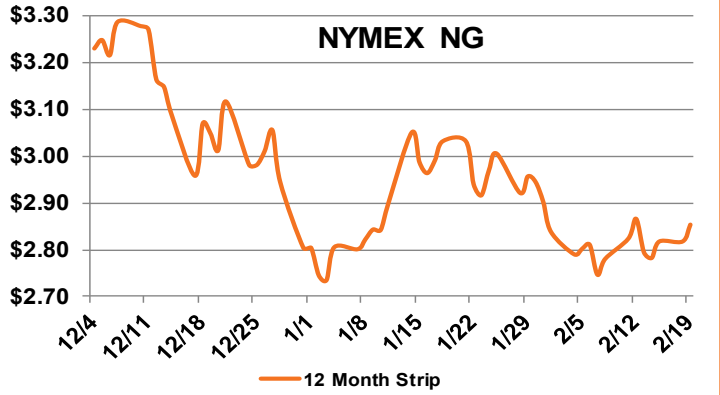
Summary: On its first day of trading after the holiday weekend, the NYMEX natural gas prompt month contract settled 3.7 cents higher than Friday's close at \$2.662/MMBtu. Supply has been steady with U.S. dry natural gas production averaging 85.5 Bcf/d for the last five days. However, demand ticked up ~4% compared to the first two weeks of February, possibly due to colder temperatures that crept into the Midwest and Northeast. Production is expected to continue at this level for the balance of the month, ~2 Bcf/d shy of the record that was set in late November, and demand should trail off, below 100 Bcf/d starting February 21. U.S. LNG export facilities continues to make progress, with Cameron and Elba Island nearing completion to begin operations. These will be the 5th and 6th export facility locations to enter the market and will grow U.S. LNG export capacity to just shy of 6.0 Bcf/d. By the end of this year, the EIA projects the U.S. will have ~9 Bcf/d of LNG export capacity.

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 2/20/2019)

ISO-NE Mass Hub \$34.25	MISO Indiana Hub \$27.58	NYISO Zone G \$35.48
PJM West Hub \$35.16	ERCOT North \$24.30	CAISO SP15 \$117.07
NYMEX NG	Close	Change
Mar-19	2.662	0.037
Apr-19	2.697	0.041
12 Month	2.855	0.036
Cal 20	2.649	0.013
Cal 21	2.658	0.012

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%

