

Early Morning Update:

The Apr19 natural gas contract is trading up \$0.03 at \$2.83. The Apr19 crude oil contract is up \$0.16 at \$57.10.

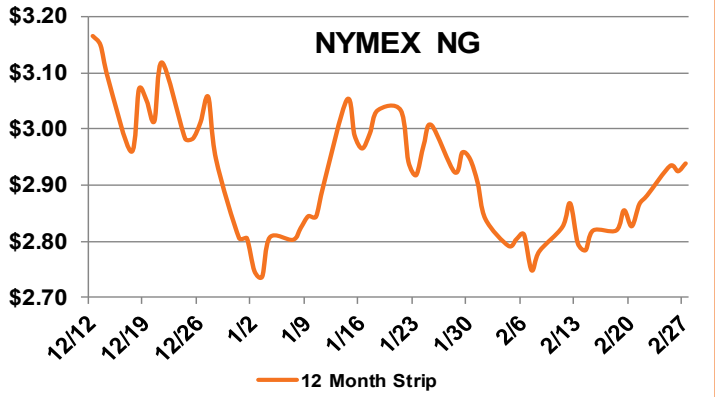
Summary: In its debut as the prompt month, the Apr19 natural gas contract barely budged yesterday, rising just 0.3 cent to settle at \$2.799/MMBtu. Most of the country is experiencing below-normal temperatures, which are expected to linger through the second week of March, before changing to warmer-than-normal temperatures for everywhere east of the Rockies. The cold is helping to elevate the demand for natural gas, which is expected to remain firm at around 104 Bcf/d for the next seven days. With demand strong and production flat, the market is expecting some very large storage withdrawals over the next few weeks. It is anticipated that the U.S. Energy Information Administration will report a 172 Bcf drop in storage levels for the week to Feb. 26 this morning. This would be similar to last week's pull, but much larger than the 85 Bcf withdrawal seen last year for the same week, as well as the -104 Bcf five-year average. This would increase the deficits to historical averages, and, with several large withdrawals expected in the coming weeks, end-of-season projections continue to drop. Storage inventories are expected to fall as low as 1.1 Tcf before summer injections begin.

Bullish Factors

- High LNG exports
- Higher demand
- Low storage levels

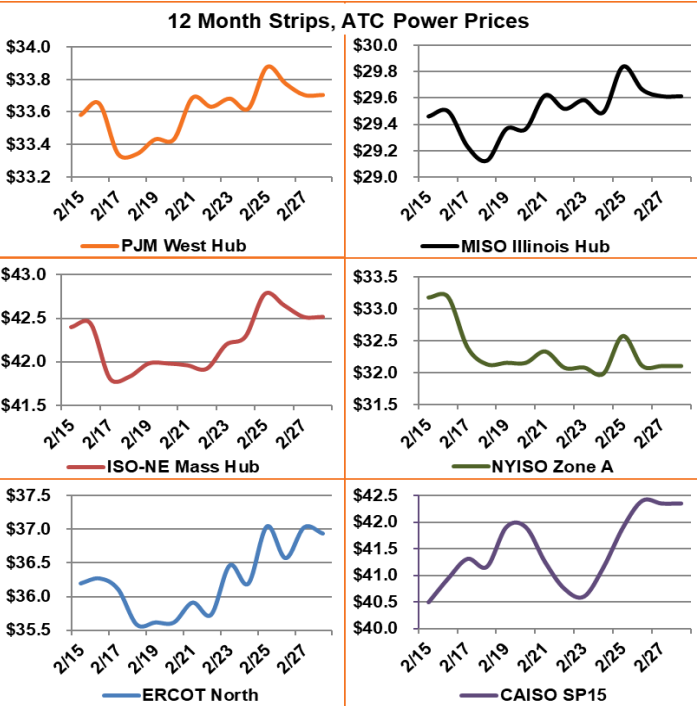
Bearish Factors

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



Next Day On-Peak Power (traded for 2/28/2019)

ISO-NE Mass Hub \$51.28	MISO Indiana Hub \$33.50	NYISO Zone G \$42.43
PJM West Hub \$32.28	ERCOT North \$29.82	CAISO SP15 \$44.50
NYMEX NG	Close	Change
Apr-19	2.799	0.003
May-19	2.813	0.002
12 Month	2.938	0.006
Cal 20	2.625	0.014
Cal 21	2.640	0.026



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,705	1,882	1,778	2,067
Diff v. Current		-177	-73	-362
% Diff			-4.1%	-17.5%

