

Early Morning Update:

The Feb19 natural gas contract is trading up \$0.01 at \$2.95.
The Feb19 crude contract is down \$0.74 at \$44.67.

Summary: NYMEX continued to fall Monday as the prompt month February contract dropped 36.3 cents to close below \$3 at \$2.94/MMBtu. The drop was not confined to the near term with the 12 month strip (Feb'19-Jan'20) also falling 14 cents to \$2.805/MMBtu. The prompt month contract has not closed below the \$3 mark since the last week of September highlighting just how far we have come since the runup in November. Weather forecasts continue to show well above normal temperatures throughout the month of January, particularly in the northeast that had the frigid January temperatures in 2017.

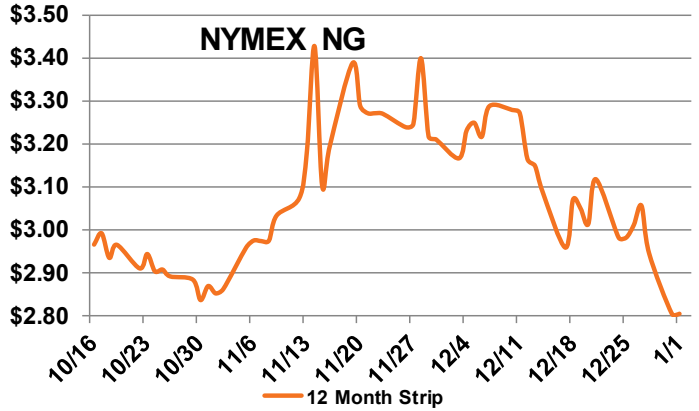
The final storage report for 2018 will be released Friday at 10:30 with current predictions ranging from -28 to -40 Bcf. This would be well below the 206 Bcf withdrawal that marked the end of 2017 and will go a long way towards shrinking the storage deficit.

Bullish Factors

- Strong LNG exports
- Exports to Mexico
- Low storage levels

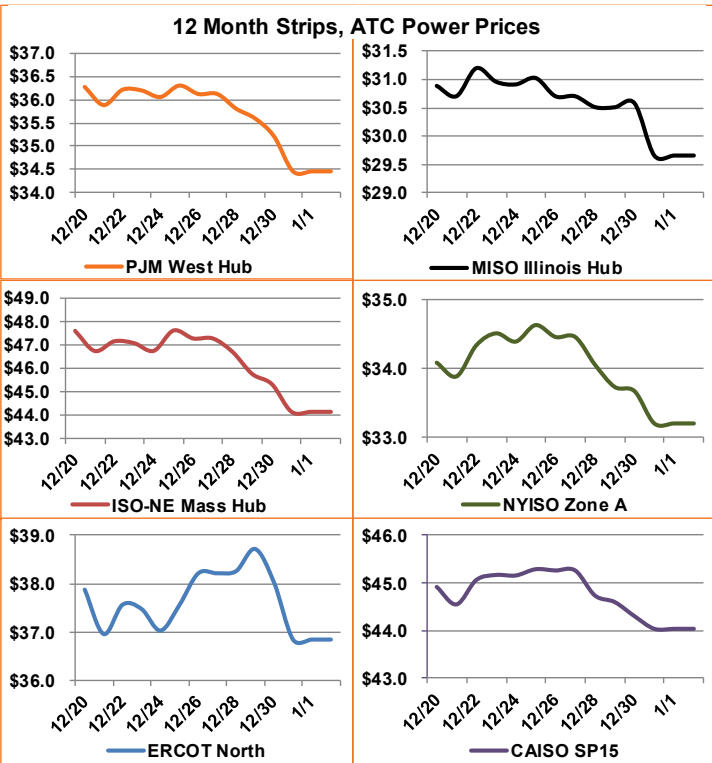
Bearish Factors

- Record NG production
- Warm weather forecasts
- Higher associated gas production



Next Day On-Peak Power (traded for 1/2/2019)

ISO-NE Mass Hub \$36.60	MISO Indiana Hub \$29.49	NYISO Zone G \$35.63
PJM West Hub \$30.93	ERCOT North \$40.87	CAISO SP15 \$46.00
NYMEX NG	Close	Change
Feb-19	2.940	-0.363
Mar-19	2.851	-0.297
12 Month	2.805	-0.141
Cal 20	2.606	0.008
Cal 21	2.648	0.008



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,725	2,773	3,348	3,372
Diff v. Current		-48	-623	-647
% Diff			-18.6%	-19.2%

