

Early Morning Update

The Feb20 natural gas contract is trading down \$0.02 at \$2.16. The Feb20 crude oil contract is down \$0.95 at \$60.73.

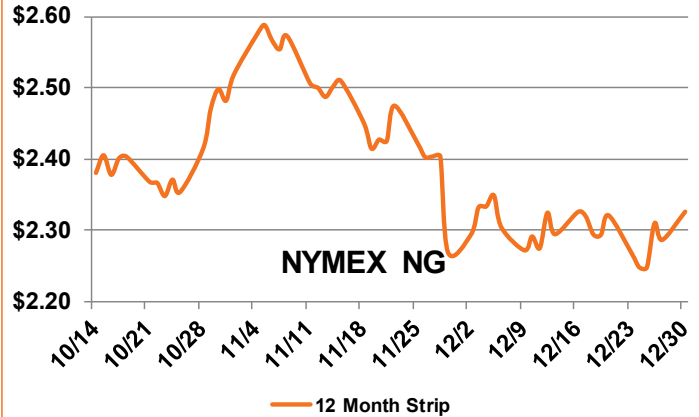
Summary: On the first day with the Feb '20 contract as the prompt month, it fell \$.045 to close the day at \$2.186. As the Jan '20 contract has expired, so has the Cal '20 contract. Mild weather forecasts are still calling for above average temperatures into mid-January along the east coast. The exception to that forecast is NOAA (as you can see below) who shows some colder temps. But the market is largely ignoring NOAA and focusing on private vendors who continue to show milder temps and anticipated lower demand. That has kept steady pressure on the gas and power markets and it's hard to see a case for a strong rally in the short-term, absent a change in weather forecast. As for the markets today, expect low liquidity as the year wraps up. Markets should start to return to normal on Thursday. Happy New Year everyone, see you in 2020.

Bullish Factors

- Record LNG exports
- Growing NG exports to Mexico
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Bearish Factors

- Above average temperatures
- Higher associated gas production
- Healthy storage levels



Next Day On-Peak Power (traded for 12/31/2019)

ISO-NE Mass Hub \$25.75	MISO Indiana Hub \$23.95	NYISO Zone G \$21.45
PJM West Hub \$21.00	ERCOT North \$20.50	CAISO SP15 \$39.29
NYMEX NG	Close	Change
Feb-20	2.186	-0.045
Mar-20	2.157	-0.016
12 Month	2.325	-0.006
Cal 21	2.417	0.002
Cal 22	2.413	-0.003

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,250	3,411	2,732	3,319
Diff v. Current		-161	518	-69
% Diff			19.0%	-2.1%

