

Early Morning Update

The Feb20 natural gas contract is trading down \$0.02 at \$2.17. The Feb20 crude oil contract is up \$0.04 at \$61.10.

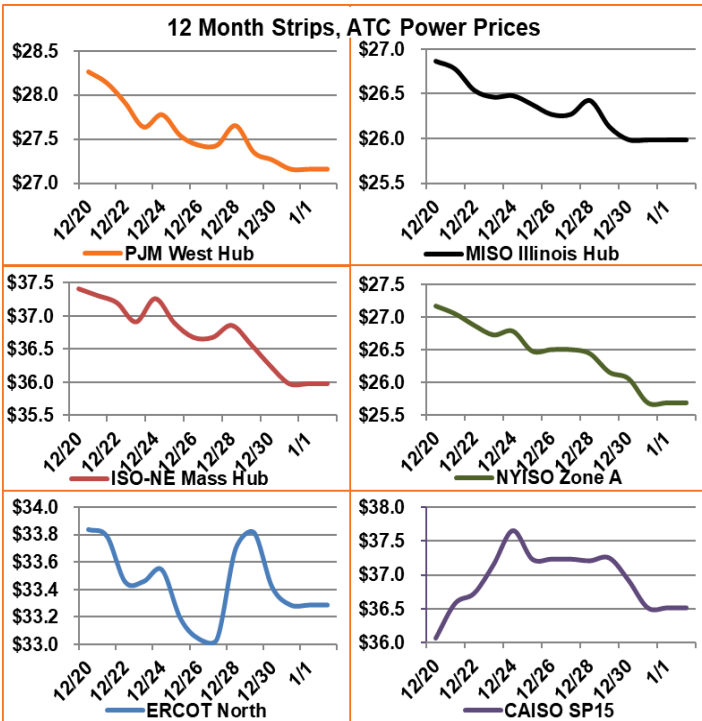
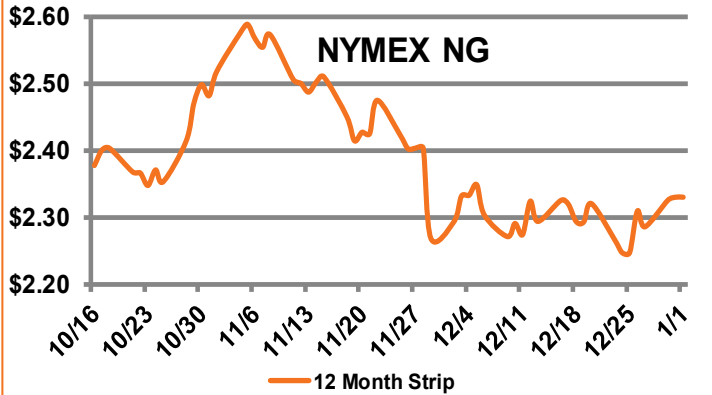
Summary: Happy New Year! As we have now officially entered 2020, the Feb'20 prompt month contract closed out trading on Tuesday at \$2.189/MMBtu, which is practically flat from the previous day. Similarly, there was hardly any movement in the remaining Feb-Mar '20 winter strip, as that moved less than a penny. The future calendar strips have also been very calm and remained flat during yesterday's trading. Temperatures are forecast to be well above normal for the major demand centers on the East Coast through the third week of January. Such warm temperatures in the East are helping to keep demand low and, therefore, prices are following suit. Additionally, the fact that we have such healthy levels of natural gas in storage is aiding the weakness in natural gas prices. Due to the New Year holiday, the U.S. Energy Information Administration will release their weekly storage report tomorrow instead of today, where market participants are expecting a withdrawal much lower than last week's due to the mild temperatures we've been experiencing.

Bullish Factors

- Record LNG exports
- Growing NG exports to Mexico
-

Bearish Factors

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



Next Day On-Peak Power (traded for 1/2/2020)

ISO-NE Mass Hub \$24.00	MISO Indiana Hub \$23.95	NYISO Zone G \$21.45
PJM West Hub \$23.00	ERCOT North \$20.50	CAISO SP15 \$35.67
NYMEX NG		Change
Feb-20	2.189	0.003
Mar-20	2.158	0.001
12 Month	2.330	0.004
Cal 21	2.424	0.007
Cal 22	2.420	0.007

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%

