

### Early Morning Update

The Feb20 natural gas contract is trading down \$0.01 at \$2.13. The Feb20 crude oil contract is down \$0.21 at \$59.40.

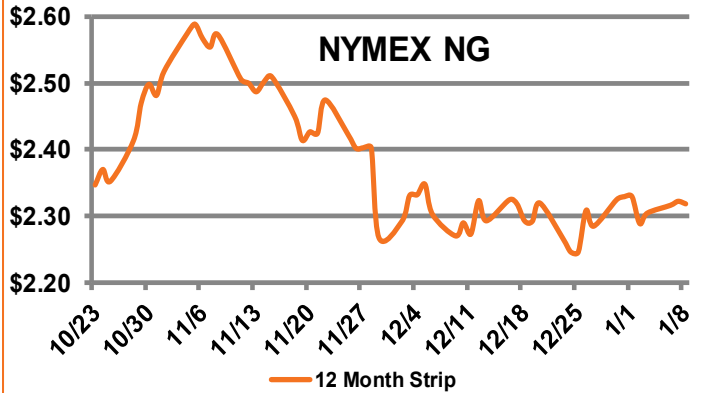
**Summary:** Since setting its new all-time low of \$2.12/MMBtu on January 2, the Feb '20 natural gas contract has been trading fairly close to this very bearish level. The prompt month lost 1% of its value yesterday, ultimately settling at \$2.14/MMBtu. The remaining Feb-Mar '20 winter strip shed two cents, with above average temperatures permeating throughout the eastern half of the country. Future calendar strips remained flat during yesterday's trading, as most movement during this time has been concentrated at the front of the curve. Weather forecasts continue to show extreme warmth in the East and Southeast over the next 10 days, with a return to mostly normal temperatures in the 11-20 day outlook. Folks may be confused as to which season it actually is, as temperatures are forecast to be 64° F in New York City this weekend. The EIA will release their weekly storage report this morning, where a very small withdrawal is projected. The above-average temperatures blanketing the major demand centers in the East have significantly lowered heating demand, thus reducing the need to withdraw as much natural gas from storage. Market participants are expecting a 55 Bcf withdrawal to be reported, which is 39 Bcf less than last year and 129 Bcf lower than the 5-year average.

### Bullish Factors

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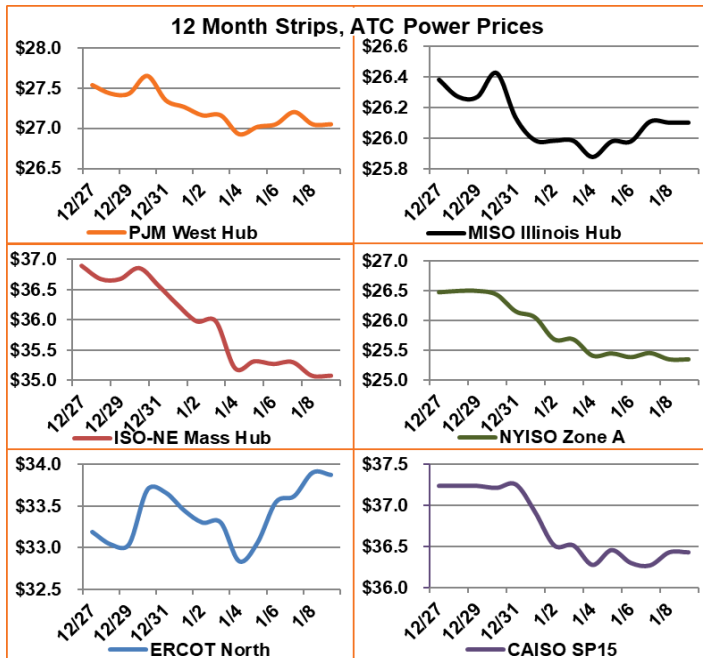
### Bearish Factors

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



### Next Day On-Peak Power (traded for 1/9/2020)

ISO-NE Mass Hub \$28.78	MISO Indiana Hub \$22.95	NYISO Zone G \$27.87
PJM West Hub \$25.68	ERCOT North \$18.73	CAISO SP15 \$38.34
NYMEX NG	Close	Change
Feb-20	2.141	-0.021
Mar-20	2.134	-0.019
12 Month	2.319	-0.004
Cal 21	2.428	-0.001
Cal 22	2.426	0.003



### EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	<b>3,192</b>	<b>3,250</b>	<b>2,708</b>	<b>3,230</b>
<b>Diff v. Current</b>		<b>-58</b>	<b>484</b>	<b>-38</b>
<b>% Diff</b>			<b>17.9%</b>	<b>-1.2%</b>

