

Early Morning Update

The Feb20 natural gas contract is trading up \$0.05 at \$2.21. The Feb20 crude oil contract is down \$0.40 at \$59.16.

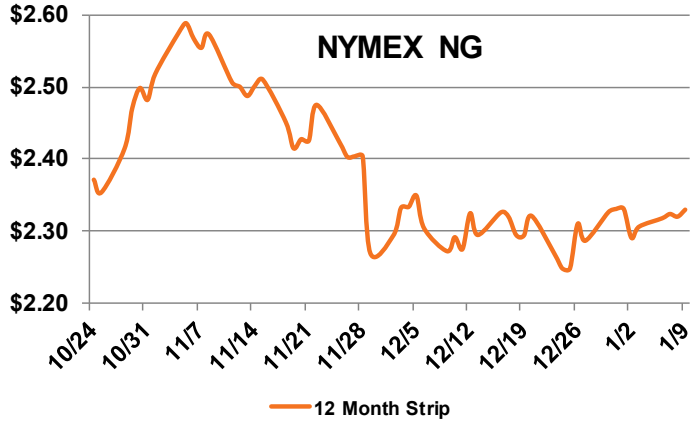
Summary: Another quiet day as near-term NYMEX NG prices continue to drive through a ditch. Even a small move up couldn't get prices above \$2.20 as the prompt settled at \$2.166, up \$0.025 on the day. That the market ticked higher after a bearish storage report of only 44 Bcf perhaps indicates that the market will need much more bearish news to test lower levels. Weather forecasts have been so mild and demand so low that we may need to see those conditions extend into February for this bear market to continue. Right now, forecasts are starting to show some below-average temperatures creeping into the northeast starting around Jan 20. If true, this would cause the first real heating demand since early December. For now though, prices are still very low and \$3.00 gas seems like a distant memory.

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 1/10/2020)

ISO-NE Mass Hub \$21.18	MISO Indiana Hub \$23.42	NYISO Zone G \$20.94
PJM West Hub \$21.81	ERCOT North \$19.72	CAISO SP15 \$35.95

NYMEX NG	Close	Change
Feb-20	2.166	0.025
Mar-20	2.148	0.014
12 Month	2.329	0.010
Cal 21	2.435	0.006
Cal 22	2.432	0.006

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,148	3,192	2,627	3,074
Diff v. Current		-44	521	74
% Diff			19.8%	2.4%

