

Early Morning Update

The Feb20 natural gas contract is trading down \$0.06 at \$2.13. The Feb20 crude oil contract is down \$0.18 at \$58.05.

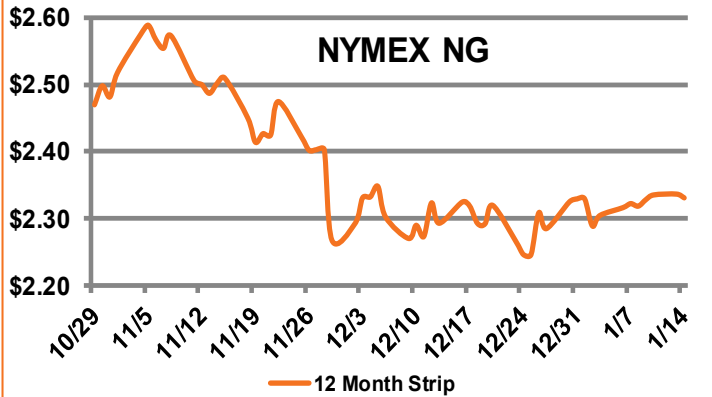
Summary: The NYMEX natural gas prompt month contract lacked enthusiasm yesterday, gaining just \$0.005, opening the trading day at \$2.182/MMBtu and closing at \$2.187/MMBtu. The market continues to grapple with healthy storage levels, relatively strong production, and a lack of strong weather-related demand. Month-to-date Residential/Commercial heating-related demand is down 6.9 Bcf/day in January 2020 vs. January 2019. However, weather patterns are indicating a shift to colder-than-average temperatures across much of the East Coast next week. Traders will be looking for heating-related demand to rise, since natural gas production remains relatively strong, averaging 92.1 Bcf/day for the month of January 2020, compared to 87.8 Bcf/day in January 2019, a 4.3 Bcf/day year-over-year increase. Looking ahead, tomorrow's EIA weekly storage report is expected to report a withdrawal that is 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 1/15/2020)

ISO-NE Mass Hub \$28.06	MISO Indiana Hub \$27.46	NYISO Zone G \$22.22
PJM West Hub \$21.57	ERCOT North \$19.70	CAISO SP15 \$40.30
NYMEX NG	Close	Change
Feb-20	2.187	0.005
Mar-20	2.151	-0.007
12 Month	2.332	-0.006
Cal 21	2.441	0.000
Cal 22	2.440	0.002

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%

