

Early Morning Update

The Feb20 natural gas contract is trading up \$0.01 at \$2.13. The Feb20 crude oil contract is up \$0.24 at \$58.05.

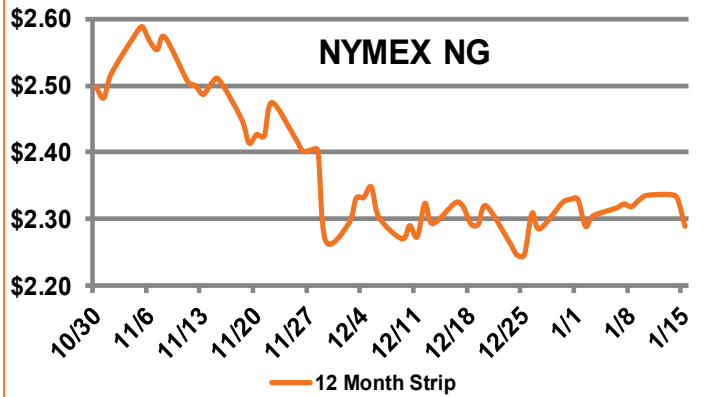
Summary: The NYMEX natural gas prompt month contract experienced a \$0.067 drop yesterday on the heels of more moderate weather forecasts. The prompt month settled at \$2.12/MMBtu, which is the same level as its all-time low that was set on January 2. This enthusiasm was primarily felt at the front of the curve, as Cal '21 lost just a penny, and Cals '22-'27 remained flat. While colder-than-normal temperatures are still projected, they're not as widespread and do not deviate as much from the 30-year normal as previously forecasted. Winter '19-'20 weather forecasts were calling for a higher chance of a back-weighted winter, which would translate into harsher conditions starting to roll in around this time of the year. If that doesn't materialize, and all other fundamentals such as strong production and strong storage levels hold true, we could see the NYMEX prompt month contract continue to weaken even more. Later on today, the EIA will release their weekly storage report, where market participants are expecting an 93 Bcf withdrawal. This is slightly larger than the withdrawal reported at this time last year, but less than half the amount of the 5-year average benchmark.

Bullish Factors

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

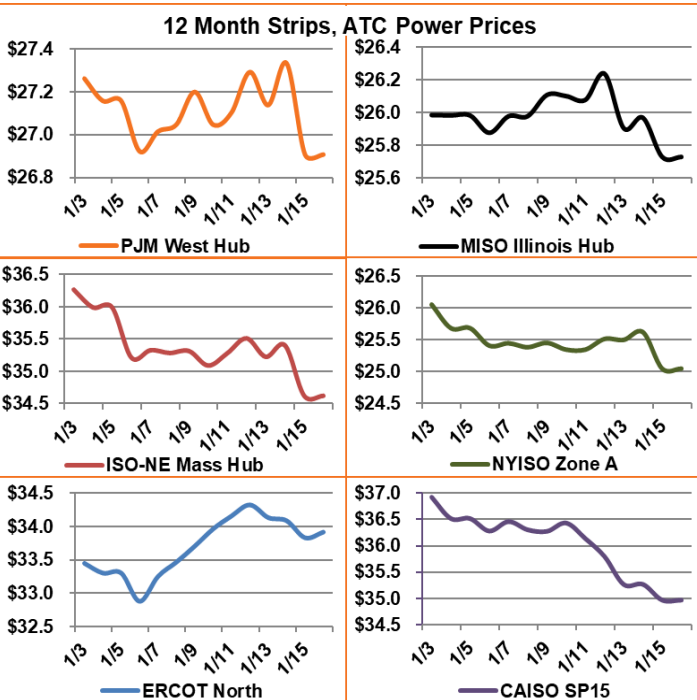
- Above average temperatures
- Higher associated gas production
- Healthy storage levels



Next Day On-Peak Power (traded for 1/16/2020)

ISO-NE Mass Hub \$34.95	MISO Indiana Hub \$29.09	NYISO Zone G \$26.41
PJM West Hub \$24.11	ERCOT North \$19.05	CAISO SP15 \$35.87

NYMEX NG	Close	Change
Feb-20	2.120	-0.067
Mar-20	2.083	-0.068
12 Month	2.290	-0.042
Cal 21	2.428	-0.013
Cal 22	2.438	-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%

