

Early Morning Update

The Feb20 natural gas contract is trading up \$0.03 at \$1.93. The Mar20 crude oil contract is up \$0.06 at \$53.20.

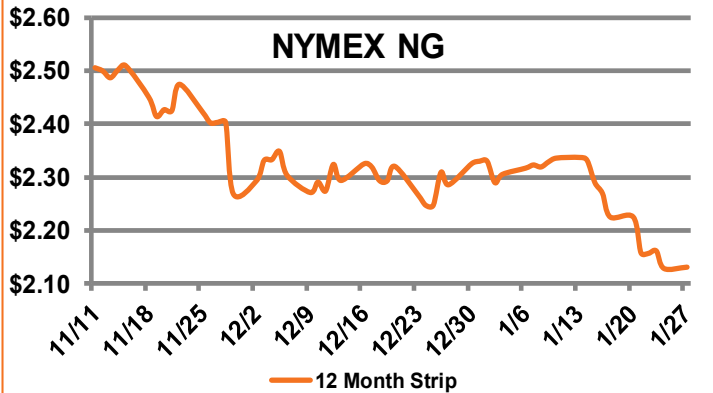
Summary: Despite above-normal temperatures lingering in the weather forecast for the next 2-3 weeks, the short-term NYMEX natural gas prompt month gained almost a penny in the opening trading session of the week. But a one cent gain still leaves prices through May below \$2 this morning. Also, the 2021-2025 calendar strips all reached new record lows on Monday, and are all currently \$2.50 or less. So far this winter, we've seen the lowest heating demand in five years, but with increased natural gas demand for power generation, as well as steadily-increasing exports, overall demand remains strong, and production continues to stagnate around 90-91 Bcf/d. All eyes are on the February NYMEX contract as it's set to expire tomorrow. The prompt month tends to rally on its final day of trading as traders cover open positions, but this may not be the case tomorrow. In this incredibly bearish market, it seems like there's not much that can turn prices around.

Bullish Factors

- Record LNG exports
- Growing NG exports to Mexico
- Dry production stalling

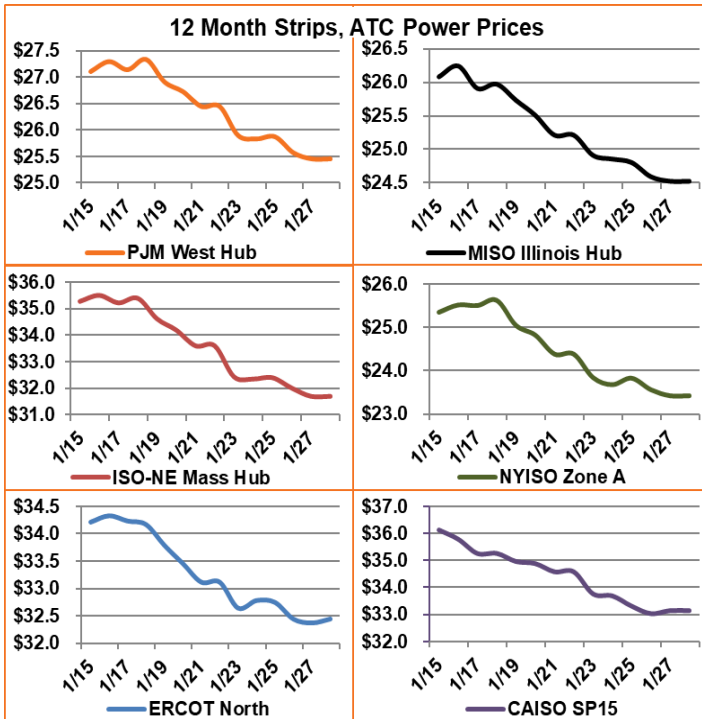
Bearish Factors

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



Next Day On-Peak Power (traded for 1/28/2020)

ISO-NE Mass Hub \$22.03	MISO Indiana Hub \$26.50	NYISO Zone G \$22.09
PJM West Hub \$24.65	ERCOT North \$18.00	CAISO SP15 \$27.00
NYMEX NG	Close	Change
Feb-20	1.902	0.009
Mar-20	1.878	0.008
12 Month	2.130	0.003
Cal 21	2.347	-0.010
Cal 22	2.381	-0.011



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,947	3,039	2,393	2,696
Diff v. Current		-92	554	251
% Diff			23.2%	9.3%

