

**Early Morning Update**

The Feb20 natural gas contract is trading down \$0.03 at \$1.90. The Mar20 crude oil contract is up \$0.57 at \$54.05.

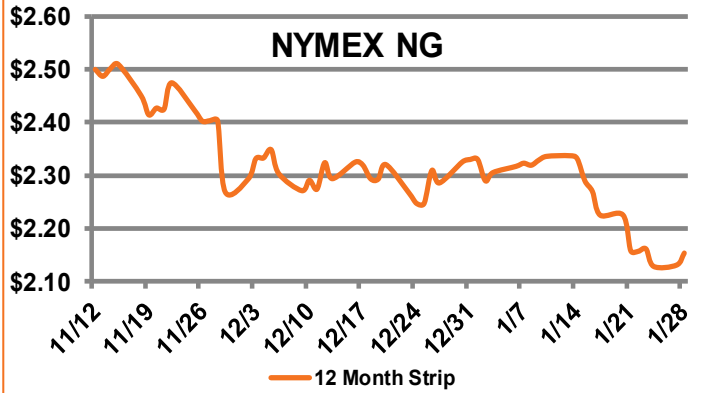
**Summary:** The NYMEX natural gas prompt gained a bit of steam yesterday, gaining \$0.032, opening the trading day at \$1.902/MMBtu and closing at \$1.934/MMBtu. While the February 2020 contract expires today, lackluster demand and healthy supply continue to keep the near-term NYMEX contracts under the \$2 mark, through May 2020. Residential/Commercial heating-related demand is down significantly for this time of year, trailing 7.1 Bcf/day vs. last year. However, production is starting to trail off from recent all-time highs, but remains higher than last year, with a 4.1 Bcf/day increase vs. January 2019. Looking ahead, the U.S. Energy Information Administration's weekly storage report for the week to Jan. 24 is expected to break the streak of below-average storage withdrawals we've seen for most of this season with an estimated pull of 225 Bcf. Last year's draw for the same week was 171 Bcf, and the five-year average withdrawal is 143 Bcf.

**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 1/29/2020)**

<b>ISO-NE Mass Hub</b> \$24.93	<b>MISO Indiana Hub</b> \$26.70	<b>NYISO Zone G</b> \$21.50
<b>PJM West Hub</b> \$25.04	<b>ERCOT North</b> \$21.56	<b>CAISO SP15</b> \$28.16
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Feb-20	1.934	0.032
Mar-20	1.908	0.030
12 Month	2.153	0.023
Cal 21	2.358	0.011
Cal 22	2.393	0.012

**EIA Natural Gas Storage**

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

