

**Early Morning Update**

The Mar20 natural gas contract is trading up \$0.01 at \$1.84. The Mar20 crude oil contract is down \$0.14 at \$52.00.

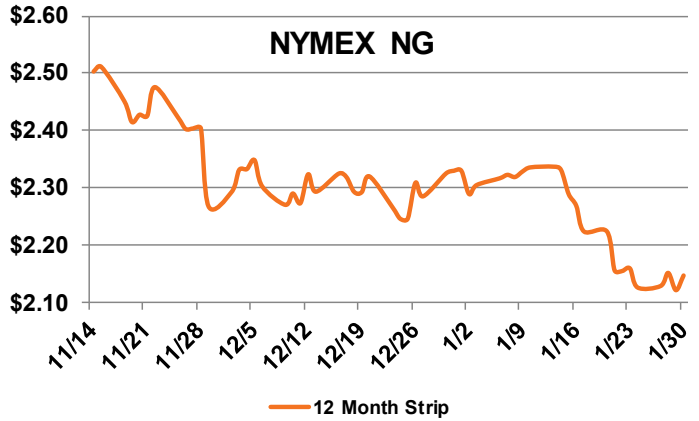
**Summary:** Another small slide in prices as the NYMEX prompt NG contract fell \$.036 to close at \$1.829. The relentlessly mild weather forecasts are the primary culprit for lower prices. Forecasts from all sources are calling for above average temperatures up and down the east coast for the next 15-20 days. Implied heating-related demand will almost certainly be down over that period and storage balances are set to increase the surplus over last year and the 5-year average. What is needed to cause a price recovery is a tightening of the supply/demand balance, through either lower supply or higher demand. Higher demand doesn't seem imminent, but lower supply might as one producer after another has announced their intention to slow investment in new drilling due to the persistently low price environment. Whether or not the slowdown happens soon enough to save 2020 is another matter. But for now, customers can enjoy low gas and power pricing.

**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 1/31/2020)**

<b>ISO-NE Mass Hub</b> \$22.12	<b>MISO Indiana Hub</b> \$24.11	<b>NYISO Zone G</b> \$20.42
<b>PJM West Hub</b> \$24.69	<b>ERCOT North</b> \$20.20	<b>CAISO SP15</b> \$27.19
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Mar-20	1.829	-0.036
Apr-20	1.872	-0.037
12 Month	2.148	-0.029
Cal 21	2.340	-0.009
Cal 22	2.388	0.005

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	2,746	2,947	2,222	2,553
<b>Diff v. Current</b>		-201	524	193
<b>% Diff</b>			23.6%	7.6%

