

### Early Morning Update

The Mar20 natural gas contract is trading up \$0.01 at \$1.85. The Mar20 crude oil contract is down \$0.26 at \$51.30.

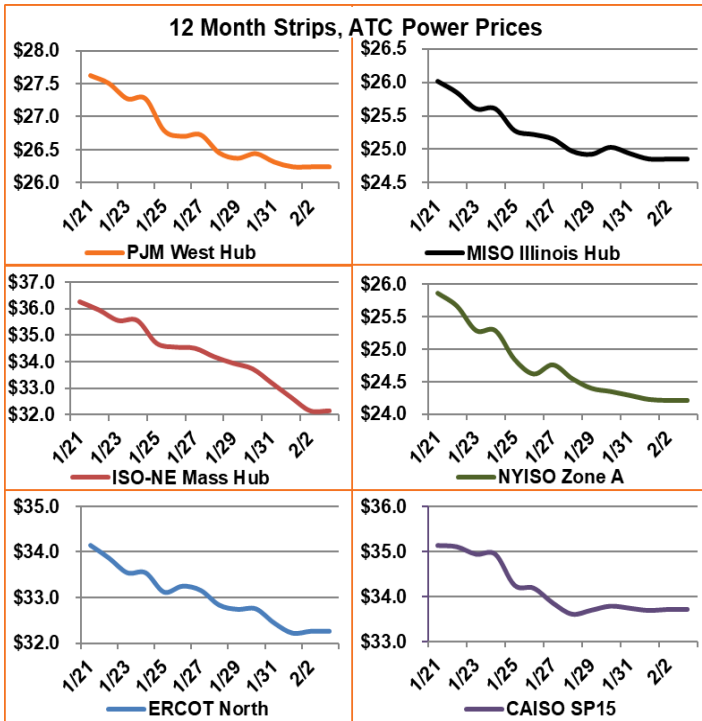
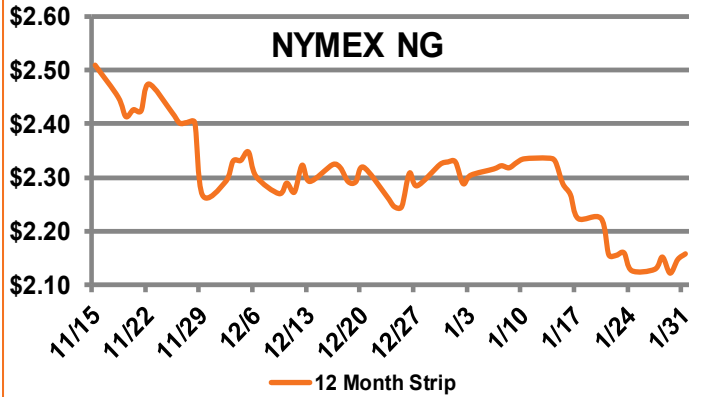
**Summary:** On Friday, the March 2019 NYMEX natural gas futures price moved up 1.2 cents on the day to settle at \$1.84/MMBtu. The prompt month settled just slightly above the prior day's low, trading at the lowest price seen since early 2016, as the bearish fundamentals continue this winter. The warmer-than-normal temps are expected to remain along the East Coast. So far this winter, we have not seen colder temps stick, with the exception of mid-November, where a cold spell blanketed the majority of the country. So far, this winter is trending to be one of the warmest winters on record. LNG exporters are concerned about the uncertainty surrounding the Coronavirus in China and how it might affect exports. To start off February, U.S. dry production is averaging just over 90.0 Bcf/d, down from the record highs set in November last year. While this dip in supply might have added upward pressure to pricing, it does not appear to have any influence at the moment, as storage remains at healthy levels and demand remains depressed due to mild weather.

### 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 2/3/2020)

ISO-NE Mass Hub \$21.81	MISO Indiana Hub \$22.43	NYISO Zone G \$19.52
PJM West Hub \$21.05	ERCOT North \$13.70	CAISO SP15 \$28.45
NYMEX NG	Close	Change
Mar-20	1.841	0.012
Apr-20	1.886	0.014
12 Month	2.159	0.011
Cal 21	2.342	0.002
Cal 22	2.386	-0.002

### EIA Natural Gas Storage

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

