

Early Morning Update

The Mar20 natural gas contract is trading down \$0.03 at \$1.84. The Mar20 crude oil contract is up \$1.99 at \$51.60.

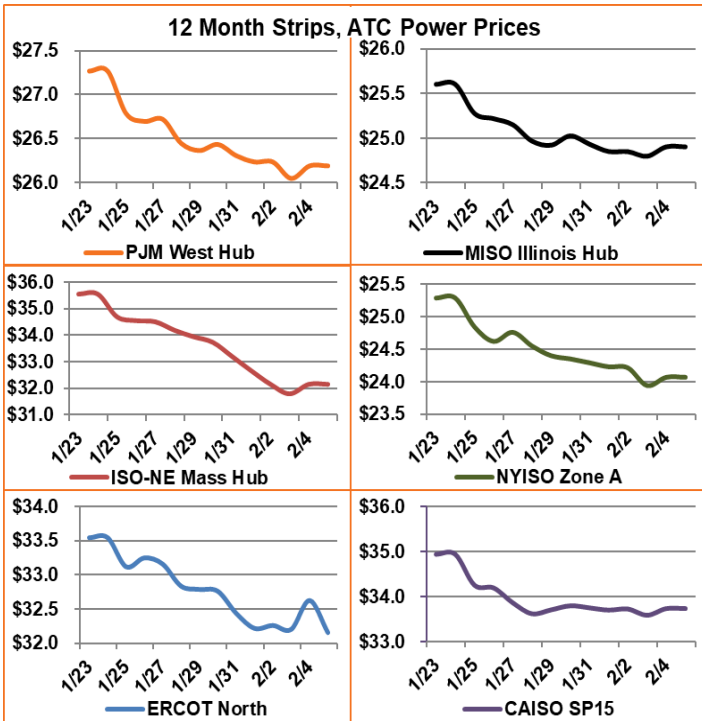
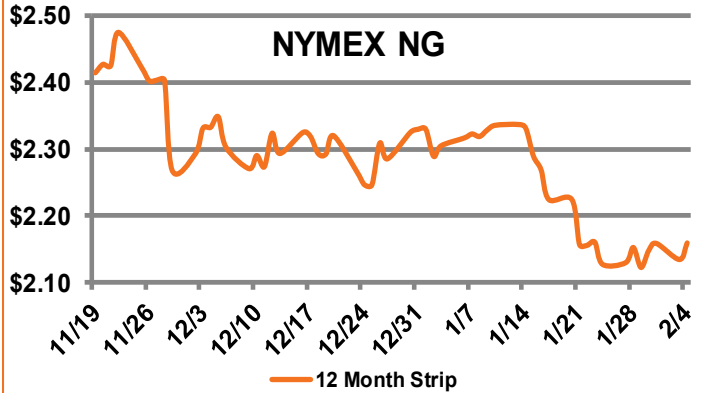
Summary: The prompt month NYMEX natural gas contract rose through yesterday's trading session to close up 5.3 cents at \$1.872/MMBtu. The upward movement slowed beyond the front months, as the 12-month strip moved up 2.5 cents to \$2.159/MMBtu. Calendar strips 2021 through 2025 showed little movement, with 2025 dropping almost three tenths of a cent to a new all-time low of \$2.492. Residential and commercial heating demand has moved up to a six day high point on short-term colder Northeast temperatures, but is still 5.0 Bcf/d lower month-to-date than last year. Forecasts through the bulk of February continue to show above-average temperatures in the East and Northeast, with below-normal temperatures remaining centered in the Northwest. In keeping with this year's trend, tomorrow's release of the U.S. Energy Information Administration's weekly Natural Gas Storage Report is expected to show the drop in natural gas stockpiles for the week to Jan. 31 to be less than both last year and the five year average.

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 2/5/2020)

ISO-NE Mass Hub \$25.15	MISO Indiana Hub \$25.00	NYISO Zone G \$20.97
PJM West Hub \$22.42	ERCOT North \$24.55	CAISO SP15 \$32.49
NYMEX NG	Close	Change
Mar-20	1.872	0.053
Apr-20	1.902	0.040
12 Month	2.160	0.025
Cal 21	2.330	0.002
Cal 22	2.378	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%

