

Early Morning Update

The Mar20 natural gas contract is flat at \$1.86. The Mar20 crude oil contract is down \$0.68 at \$50.27.

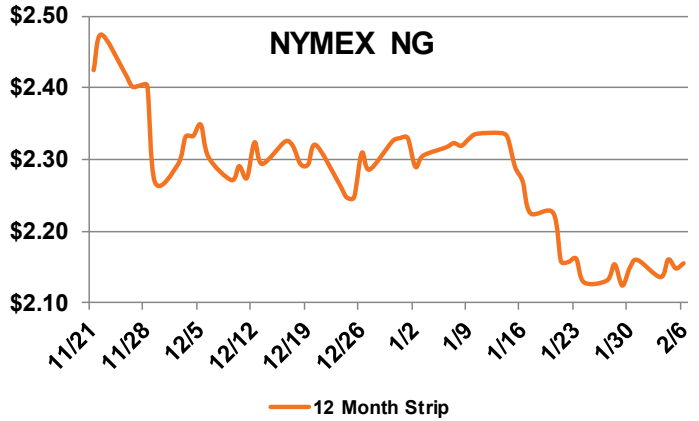
Summary: The prompt month, March 2020, NYMEX natural gas contract saw little movement during yesterday's trading session, settling up a penny from Wednesday at \$1.862/MMBtu. The EIA had reported a 137 Bcf withdrawal for the week ending January 31, 2020, at 10:30 am. While this was much smaller than the 228 Bcf pull for this time last year, it was close to the five-year average of 143 Bcf; the market was unphased. Longer-term contracts were also steady during yesterday's trading session, calendar strips 2021-2024 hit new all-time trading lows on Wednesday, February 5, this week and remain firmly planted below \$2.50/MMBtu. Looking ahead at the weekend, a storm system is moving through the northeast which could depress demand even further; however, a brief shift to cooler-than-normal temperatures is following the storm. The warmer-than-normal trend for the east coast is expected to return on Monday and continue with the 6-10 and 8-14 day outlooks from the National Weather Service displays mostly red hues for the eastern quarter of the country, while the western three quarters is blue.

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 2/7/2020)

ISO-NE Mass Hub \$26.89	MISO Indiana Hub \$24.72	NYISO Zone G \$21.06
PJM West Hub \$22.98	ERCOT North \$19.55	CAISO SP15 \$24.93

NYMEX NG	Close	Change
Mar-20	1.862	0.001
Apr-20	1.887	0.000
12 Month	2.154	0.007
Cal 21	2.330	0.009
Cal 22	2.392	0.023

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,609	2,746	1,994	2,410
Diff v. Current		-137	615	199
% Diff			30.8%	8.3%

