

Early Morning Update

The Mar20 natural gas contract is trading up \$0.01 at \$1.77. The Mar20 crude oil contract is down \$0.83 at \$50.40.

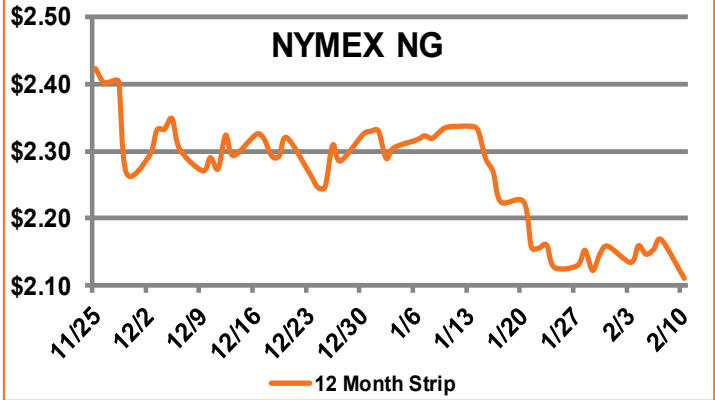
Summary: The Mar '19 natural gas contract dropped almost a dime yesterday, settling at \$1.766/MMBtu. Despite the drop in the prompt month, the calendar strips all fell less than a penny. Demand is expected to be relatively flat today, echoing the generally flat NYMEX pricing seen across the board. The near-term weather forecast is showing below-normal temperatures for the Mid-Continent through the 5-day outlook, as a cold front is expected in the Midwest on Thursday morning, pushing to the East Coast later on Thursday. Last week's brief cold predictions caused a brief rally in the market, with the above-normal temperatures then returning the market to a downward turn. We've same see the same pattern several times this winter - will we see the same pattern this week?

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 2/11/2020)

ISO-NE Mass Hub \$24.09	MISO Indiana Hub \$24.50	NYISO Zone G \$22.00
PJM West Hub \$21.01	ERCOT North \$21.38	CAISO SP15 \$28.87

NYMEX NG	Close	Change
Mar-20	1.766	-0.092
Apr-20	1.804	-0.088
12 Month	2.111	-0.057
Cal 21	2.345	-0.009
Cal 22	2.403	-0.007

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%

