

**Early Morning Update**

The Mar20 natural gas contract is trading up \$0.03 at \$1.82. The Mar20 crude oil contract is up \$1.31 at \$51.25.

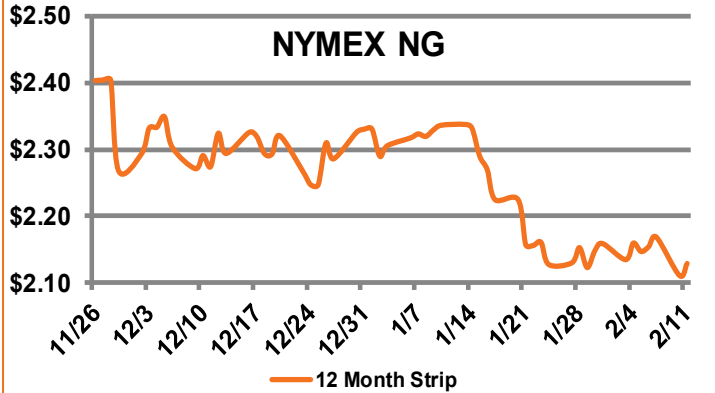
**Summary:** The NYMEX natural gas prompt month gained a modest \$0.022 yesterday, opening the trading day at \$1.766/MMBtu and closing at \$1.788/MMBtu. The move was likely due to a pop in res/comm heating-related demand, which was up 2.9 Bcf/day. A brief cold shot is expected this Friday and Saturday, which appears to cover much of the Mid-Continent, as well as extending to several major cities along the East Coast, which will bolster heating demand. Production remains stubbornly strong vs. last year, up 5.1 Bcf/day and averaging 92.0 Bcf/d so far this month. As natural gas prices remain trapped below the \$2 mark, market analysts continue to wonder if the E&P community will curtail production. Looking ahead, tomorrow's weekly storage report by the U.S. Energy Information Administration is expected to show a withdrawal in the neighborhood of 104 Bcf, which is lower than the 5-year average.

**Bullish Factors**

- Record LNG exports
- Growing NG exports to Mexico
- Dry production stalling

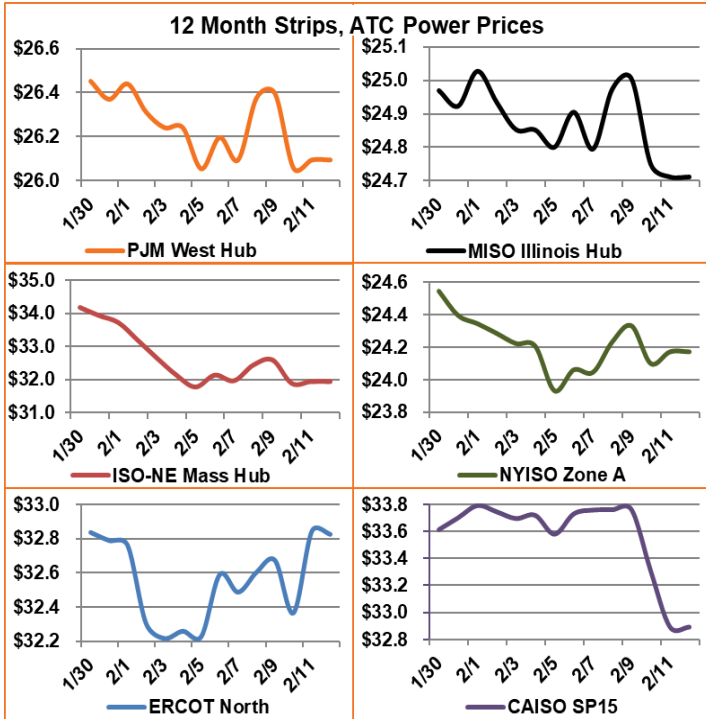
**Bearish Factors**

- Above average temperatures
- Higher associated gas production
- Healthy storage levels



**Next Day On-Peak Power (traded for 2/12/2020)**

<b>ISO-NE Mass Hub</b> \$23.68	<b>MISO Indiana Hub</b> \$25.00	<b>NYISO Zone G</b> \$19.88
<b>PJM West Hub</b> \$22.09	<b>ERCOT North</b> \$20.74	<b>CAISO SP15</b> \$28.17
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Mar-20	1.788	0.022
Apr-20	1.823	0.019
12 Month	2.129	0.018
Cal 21	2.360	0.015
Cal 22	2.411	0.008



**EIA Natural Gas Storage**

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

