

Early Morning Update

The Mar20 natural gas contract is trading down \$0.02 at \$1.96. The Mar20 crude oil contract is up \$0.55 at \$52.60.

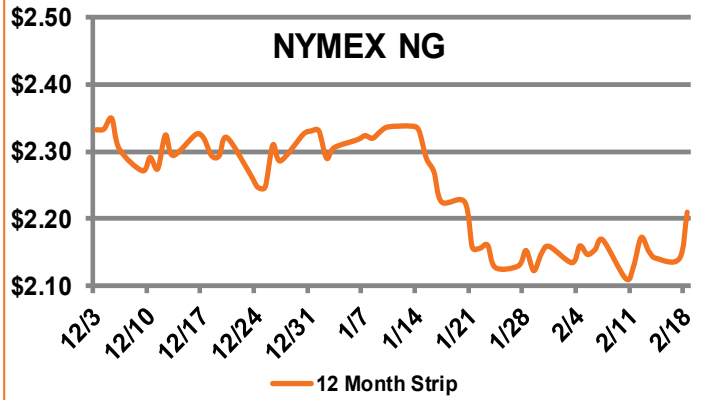
Summary: The natural gas market saw strong upward movement in the front months during yesterday's NYMEX trading session, as the March prompt month contract gained 14.4 cents to close just under the \$2.00 threshold at \$1.981/MMBtu. This is the largest one-day gain since the end of October last year. The 12-month strip moved up just under seven cents to \$2.21, and the 2021 calendar strip added just a penny, to \$2.36, highlighting the near-term movement. Power pricing across most zones followed suit, as well. The main driver appears to be the late-winter cold that is creeping into the forecasts for the entire country over the next few weeks. Despite the bullish weather outlooks, calendar strips 2024 and 2025 both dropped 1.4 cents yesterday and set all-time lows at \$2.441 and \$2.461, respectively. The U.S. Energy Information Administration's weekly storage report to be released tomorrow is expected to show a much smaller withdrawal than seen last year for the same week, and on par with the 5-year average.

Bullish Factors

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

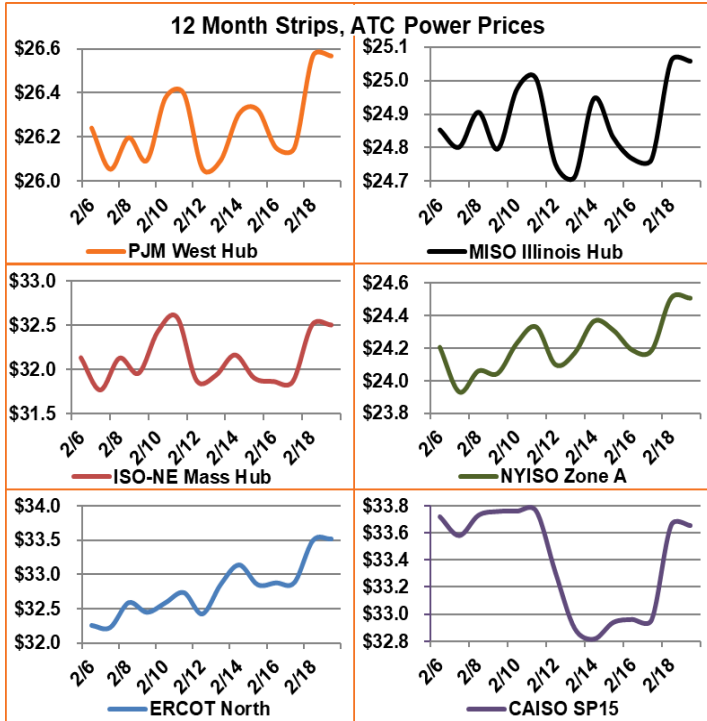
Bearish Factors

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



Next Day On-Peak Power (traded for 2/19/2020)

ISO-NE Mass Hub \$22.86	MISO Indiana Hub \$24.15	NYISO Zone G \$20.56
PJM West Hub \$22.69	ERCOT North \$26.55	CAISO SP15 \$28.93
NYMEX NG	Close	Change
Mar-20	1.981	0.144
Apr-20	1.971	0.115
12 Month	2.210	0.068
Cal 21	2.362	0.010
Cal 22	2.408	0.004



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,494	2,609	1,893	2,279
Diff v. Current		-115	601	215
% Diff			31.7%	9.4%

