

**Early Morning Update**

The Mar20 natural gas contract is trading down \$0.01 at \$1.94. The Mar20 crude oil contract is up \$0.71 at \$54.00.

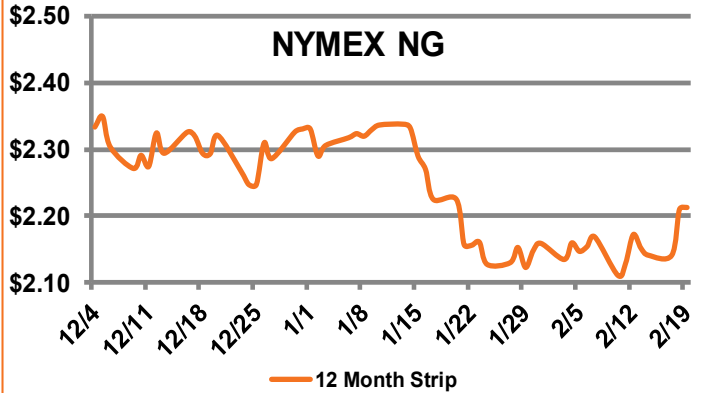
**Summary:** The NYMEX natural gas prompt month contract softened a bit from its recent climb, and closed out yesterday's trading session 2.6 cents lower at \$1.955/MMBtu. All of the movement was focused at the front of the curve, which is typically the most reactive to changes in the weather forecast. Updates to the weather outlook show the areas with warmer-than-normal-temperatures expanding and becoming more widespread, most notably in Canada. The previously forecasted colder-than-normal temperatures on the East Coast have also been erased from the forecast in the 16-20 outlook. These updates to the weather forecast are proving to be bearish for the market, which has been the overall trend for this entire winter thus far. Also contributing to the natural gas low price environment is the very healthy amount of gas that we have in storage. This morning, the U.S. Energy Information Administration will release their weekly storage report, where a 140 Bcf withdrawal is expected by market participants. If that actualizes, it would be just 4 Bcf larger than the 5-year average benchmark.

**Bullish Factors**

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

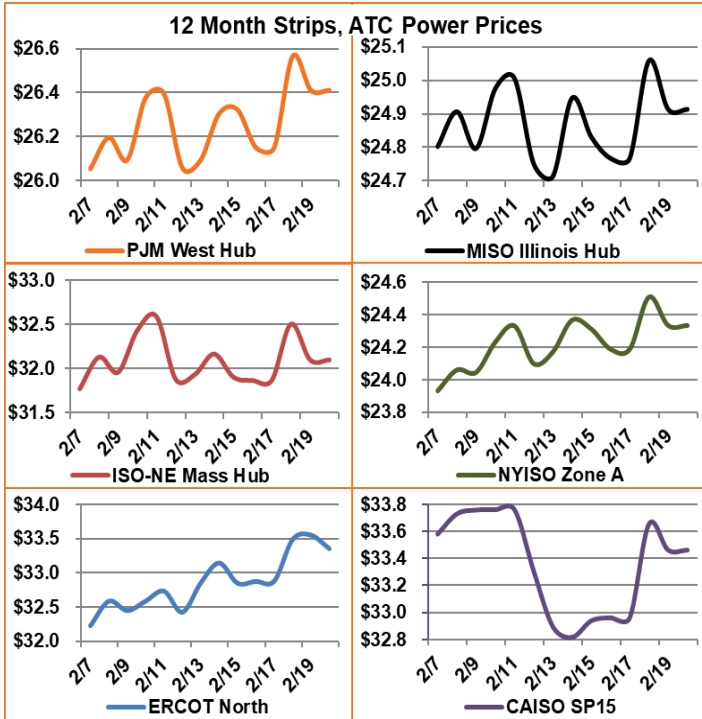
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 2/20/2020)**

|                                   |                                    |                                |
|-----------------------------------|------------------------------------|--------------------------------|
| <b>ISO-NE Mass Hub</b><br>\$27.42 | <b>MISO Indiana Hub</b><br>\$27.00 | <b>NYISO Zone G</b><br>\$26.02 |
| <b>PJM West Hub</b><br>\$26.48    | <b>ERCOT North</b><br>\$19.00      | <b>CAISO SP15</b><br>\$27.48   |
| <b>NYMEX NG</b>                   | <b>Close</b>                       | <b>Change</b>                  |
| Mar-20                            | 1.955                              | -0.026                         |
| Apr-20                            | 1.971                              | 0.000                          |
| 12 Month                          | 2.213                              | 0.003                          |
| Cal 21                            | 2.356                              | -0.006                         |
| Cal 22                            | 2.395                              | -0.013                         |



**EIA Natural Gas Storage**

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

