

Early Morning Update

The Mar20 natural gas contract is trading down \$0.04 at \$1.86. The Apr20 crude oil contract is down \$2.58 at \$50.80.

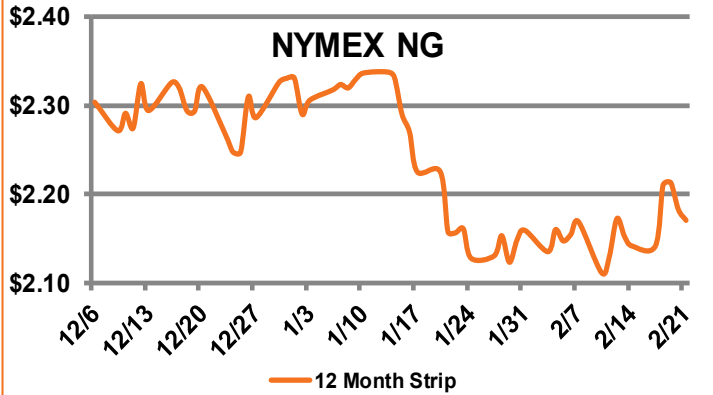
Summary: As weather forecasts trended warmer toward the end of last week, the market continued to show weakness, as the prompt month closed at \$1.905. Weather updates over the weekend have shown even warmer temps with the potential last gasp of winter appearing along the eastern half of the U.S. by the end of the week. Beyond this short-term cold outbreak, temperatures look to be above the 10-year normal for the next three weeks, leaving any last hope of sustained arctic cold behind. With winter weather largely being non-existent, the market hopes that easing production can help balance the supply and demand balance. With production hovering around 91.5 Bcf/d for the prior week, it bears watching how producers will handle the low price environment. The coronavirus has given us some new news today with new cases beyond just China – Italy, South Korea, and Iran have all reported a growth in cases and stoking fears of a global pandemic. The U.S. equity futures markets have reacted with sharp losses this morning, and something that bears watching across the global economy.

Bullish Factors

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

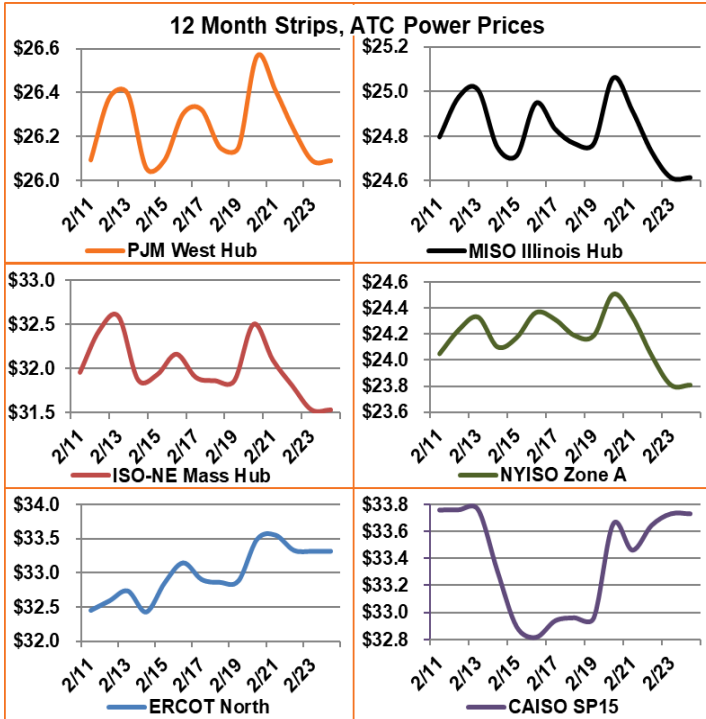
Bearish Factors

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



Next Day On-Peak Power (traded for 2/24/2020)

ISO-NE Mass Hub \$21.74	MISO Indiana Hub \$24.23	NYISO Zone G \$18.60
PJM West Hub \$19.65	ERCOT North \$19.65	CAISO SP15 \$25.05
NYMEX NG	Close	Change
Mar-20	1.905	-0.015
Apr-20	1.917	-0.014
12 Month	2.170	-0.012
Cal 21	2.327	-0.011
Cal 22	2.379	-0.006



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,343	2,494	1,730	2,143
Diff v. Current		-151	613	200
% Diff			35.4%	9.3%

