



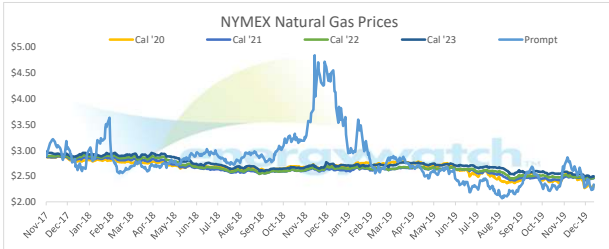
Week Ending: 1/3/2020

Weekly Update:

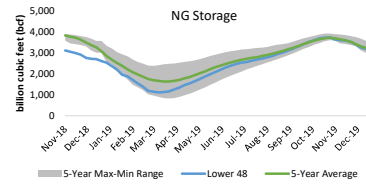
Since entering the new year, prompt month (Feb 20) gas prices recorded its lowest price on January 2 when prices settled at \$2.12/MMBtu. Since then, none of the external factors that contribute to prices fluctuations have resulted in much, if any, market movement. Prompt month prices are currently trading around \$2.15/MMBtu even after this week's storage report. The EIA reported a withdrawal of 44 Bcf which was less than the estimated 50 Bcf withdrawal. Current storage levels are about 20% above last year's levels and just slightly above the 5 year average. The remainder of 2020 gas pricing is trading at \$2.28/MMBtu. Calendar year 2021/2022/2023 gas strips are still all trading around \$2.45/MMBtu.

Warmer than average temperatures throughout much the eastern portion of the U.S. have kept prices low and steady. Current Day-Ahead prices in ISONE, NYISO and PJM West Hub are trading between \$25-\$30 mWh. ERCOT (TX) prices right now are trading in the teens, at \$18 mWh. Even though the winter months are not a traditionally opportune to hedge future contracts, prices for both electricity and natural gas remain attractive for the upcoming months.

Natural gas pricing plays a key role in electricity power pricing due to the increasing reliance on natural gas fired generators as nuclear, coal, and oil generation is retired and mothballed. As the marginal unit of generation, gas prices are directly correlated to power pricing (more so in some regions such as NYC vs. others such as parts of PJM). We keep an eye on natural gas market fundamentals in order to provide insights into forward power pricing for our clients. Gas production has grown and surpassed any speculation that production would not be able to keep up with demand due to LNG and Mexican exports.

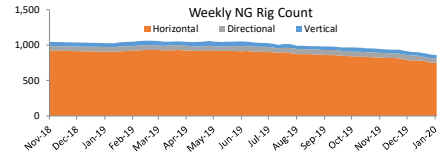


Natural Gas Storage Week Ending 1/3/2020	
Current Week Stocks (bcf)	3,148
Previous Week Stocks (bcf)	3,192
Implied Net Change (bcf)	-44
Expected Net Change (bcf)	-50
Variance (bcf)	6
Year-Ago Stocks (bcf)	2,627
Variance vs Prev. Year (%)	19.8%
5-Year Average (bcf)	3,074
Variance vs 5-YR Avg (%)	2.4%

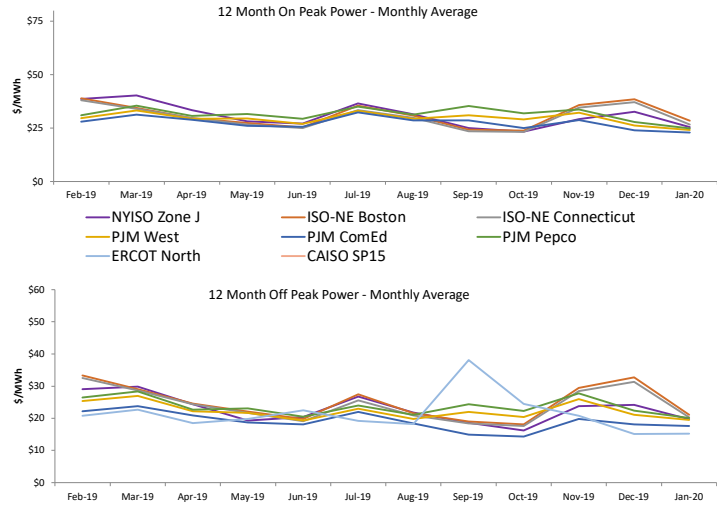


	\$/MMBtu	W-o-W Δ	Y-o-Y Δ
Prompt Month	\$2.166	1.4%	-34.7%
12-Month	\$2.327	0.7%	-21.3%
24-Month	\$2.379	0.5%	-16.3%
Cal 20	\$2.292	0.8%	-16.5%
Cal 21	\$2.431	0.1%	-8.5%
Cal 22	\$2.432	0.5%	-9.0%

Week Ending:	1/3/2020	W-o-W Δ
Oil Rigs	670	-5.6%
Gas Rigs	123	-14.6%
Vertical	51	-1.9%
Horizontal	752	0.4%
Directional	57	5.6%



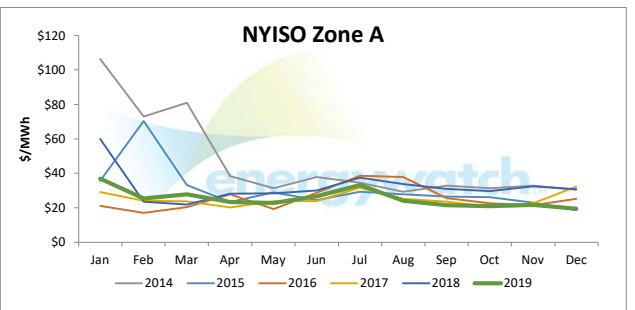
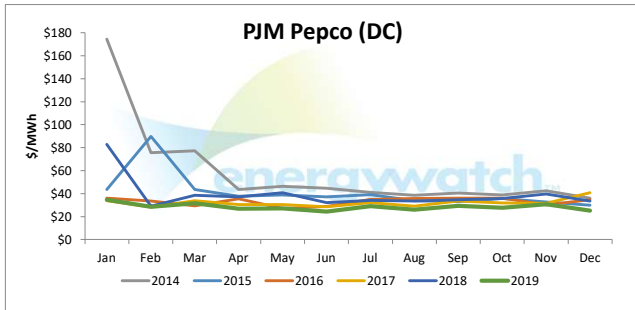
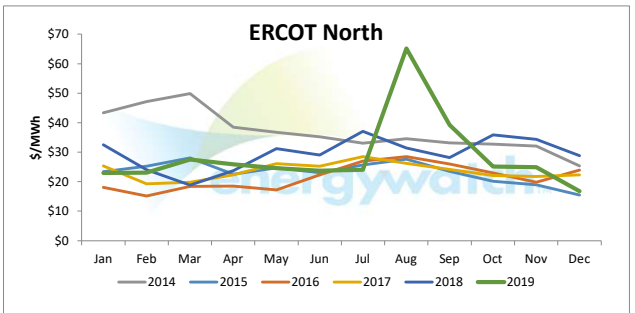
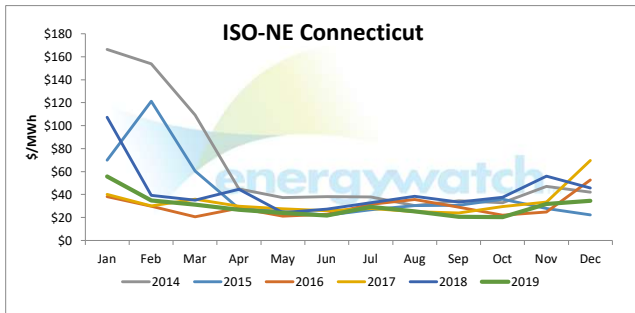
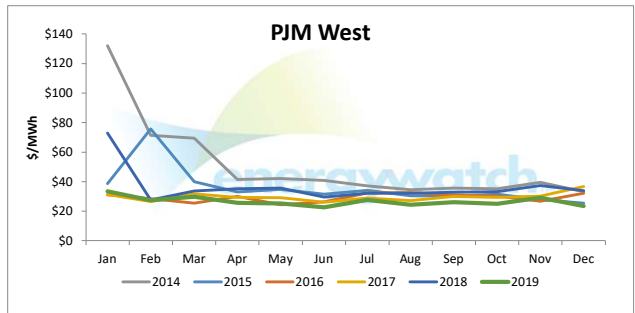
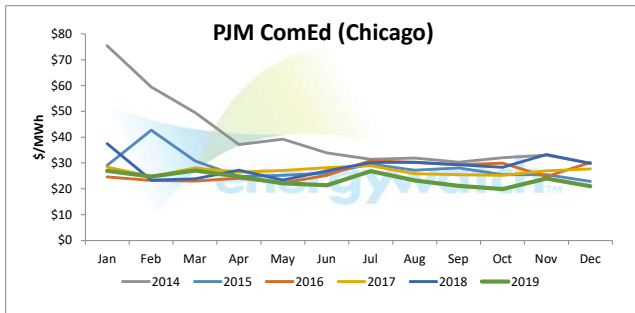
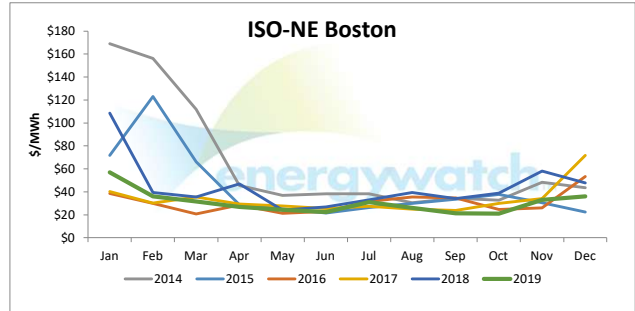
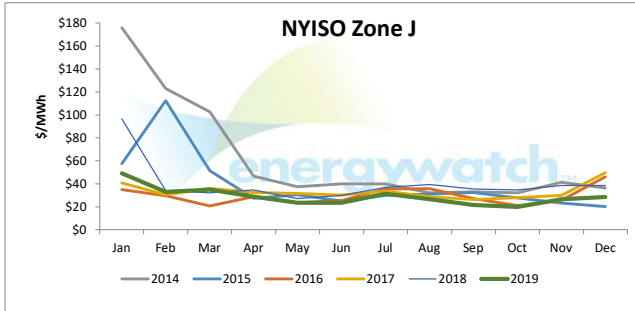
	Avg. Temp	Past 10 Weeks	Departure From Normal		CDD	HDD
Boston	37		8	0	28	
Chicago	22		-2	0	43	
Columbus	29		0	0	36	
Dallas	50		5	0	15	
Denver	44		13	0	21	
Detroit	24		0	0	41	
Hartford	34		0	0	31	
Houston	52		-1	0	13	
Indianapolis	32		4	0	33	
Las Vegas	51		3	0	14	
Los Angeles	57		0	0	8	
Miami	70		2	5	0	
Minneapolis	9		-7	0	56	
New York City	36		3	0	29	
Philadelphia	36		3	0	29	
Phoenix	57		1	0	8	
Salt Lake City	37		8	0	28	
San Diego	58		-2	0	7	
San Francisco	53		3	0	12	
Seattle	39		-3	0	26	
St. Louis	37		6	0	28	
Washington D.C.	34		1	0	31	



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2014 - 2019 YTD Locational Marginal Pricing (LMPs)



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