

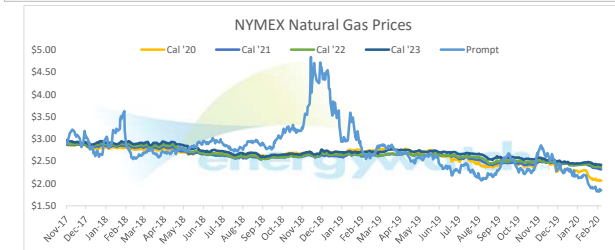
Week Ending: 1/31/2020

#### Weekly Update:

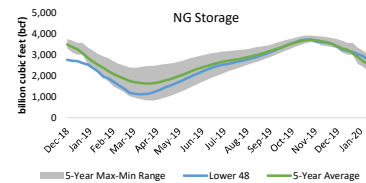
Prompt month gas prices are still trading under \$2/MMBtu as of February 6, 2020 and prices from April all the way through June 2020 are under \$2 as well! The February 2020 contract expired at \$1.88/MMBtu last week and the current March 2020 contract price is hovering around \$1.87/MMBtu. Due to warmer weather in the northeast, prices will likely remain at this level for the foreseeable future.

Gas storage as of last week is at 2,609 Bcf, a net decrease of 137 Bcf from the week prior. This week's withdrawal was the third biggest drop in storage stockpiles this season. Stocks are 615 Bcf higher than this time last year and 199 Bcf greater than the five-year average of 2,410 Bcf. This information illustrates that there's a 31% increase in gas storage compared to last year and more than an 8% increase compared to the five-year average. The average daily total supply for natural gas in the U.S. this week was 99 Bcf/d, slightly down from last week being 100 Bcf/d. Meanwhile, the total demand was 118 Bcf/d compared to last week coming in at 127 Bcf/d. For those customers still waiting to hedge either their natural gas usage or electricity consumption, now would be a great time to take advantage of market conditions.

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.

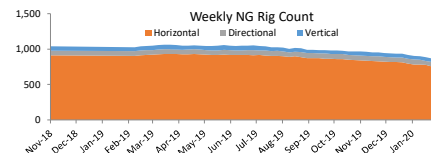


Natural Gas Storage Week Ending 1/31/2020	
Current Week Stocks (bcf)	2,609
Previous Week Stocks (bcf)	2,746
Implied Net Change (bcf)	-137
Expected Net Change (bcf)	-129
Variance (bcf)	-8
Year-Ago Stocks (bcf)	1,994
Variance vs Prev. Year (%)	30.8%
5-Year Average (bcf)	2,410
Variance vs 5-YR Avg (%)	8.3%

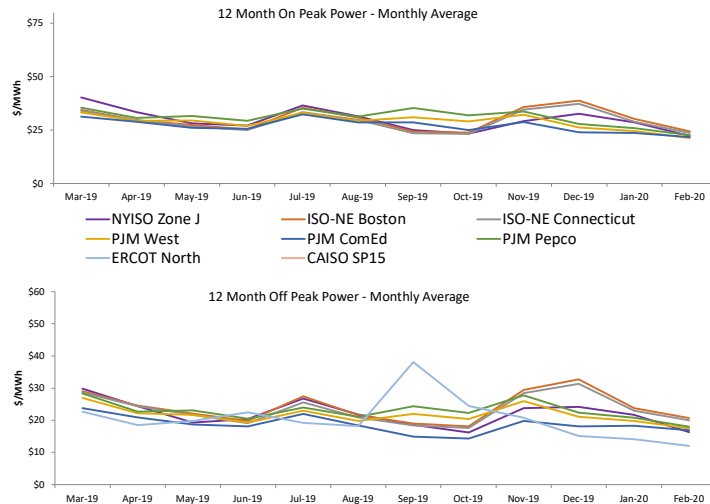


	\$/MMBtu	W-o-W Δ	Y-o-Y Δ
Prompt Month	\$1.862	1.2%	-28.6%
12-Month	\$2.154	0.2%	-23.2%
24-Month	\$2.249	0.0%	-18.4%
Cal 20	\$2.078	0.2%	-23.9%
Cal 21	\$2.330	-0.1%	-11.7%
Cal 22	\$2.392	0.5%	-10.0%

Week Ending:	1/31/2020	W-o-W Δ
Oil Rigs	675	-4.9%
Gas Rigs	112	-22.2%
Vertical	51	-1.9%
Horizontal	752	0.4%
Directional	57	5.6%

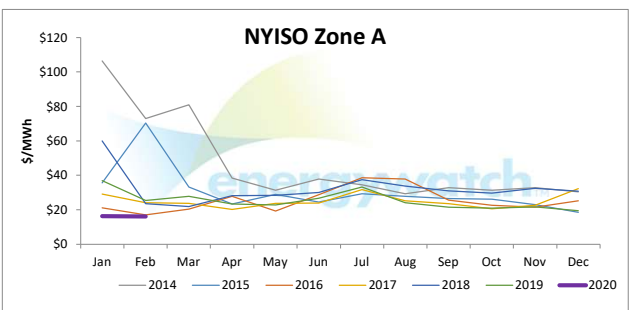
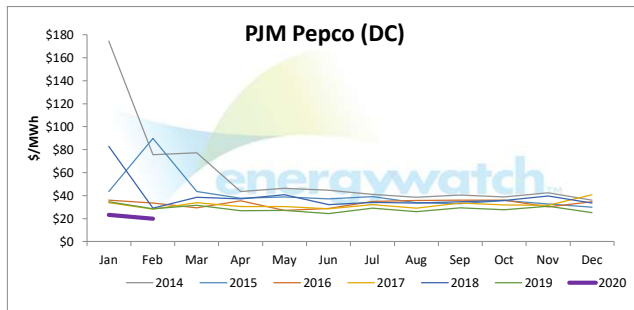
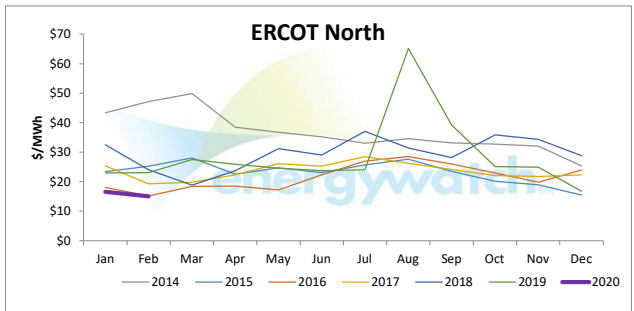
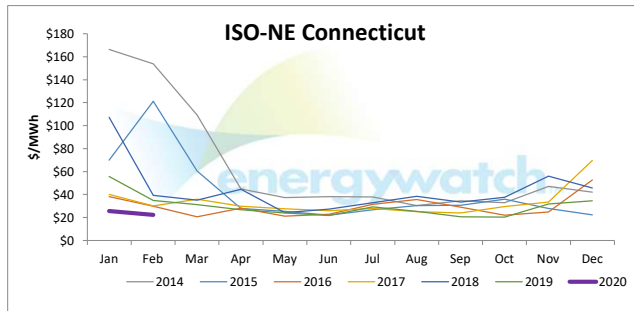
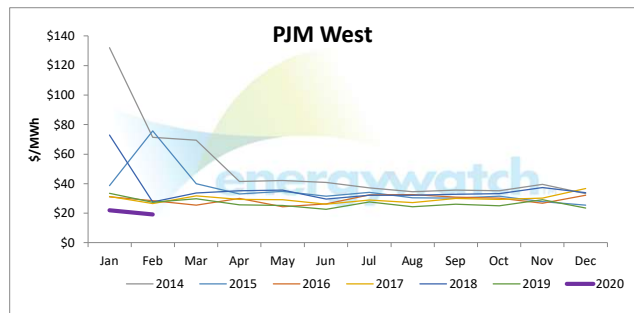
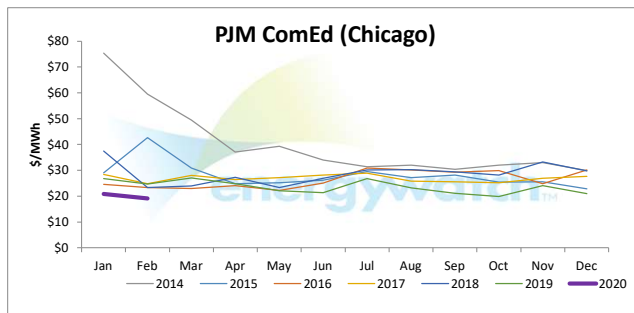
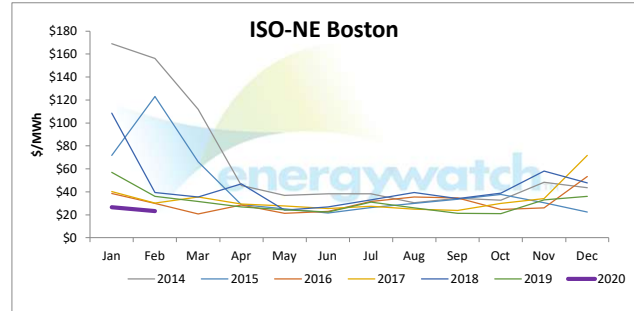
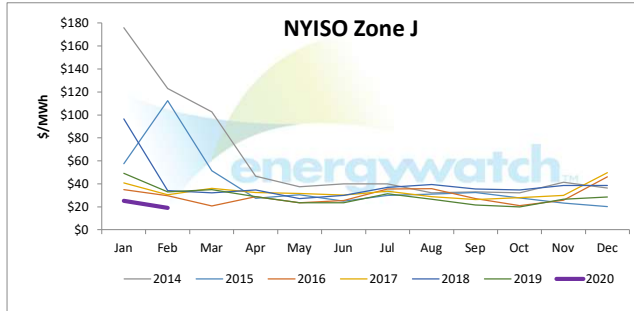


	Avg. Temp	Past 10 Weeks	Departure From Normal	CDD	HDD
Boston	38		8	0	27
Chicago	30		5	0	35
Columbus	34		5	0	31
Dallas	36		-12	0	29
Denver	12		-21	0	53
Detroit	29		4	0	36
Hartford	39		0	0	26
Houston	50		-5	0	15
Indianapolis	33		4	0	32
Las Vegas	41		-10	0	24
Los Angeles	53		-4	0	12
Miami	73		3	8	0
Minneapolis	17		-1	0	48
New York City	46		12	0	19
Philadelphia	46		12	0	19
Phoenix	45		-13	0	20
Salt Lake City	21		-10	0	44
San Diego	51		-7	0	14
San Francisco	51		-2	0	14
Seattle	46		3	0	19
St. Louis	32		-2	0	33
Washington D.C.	48		14	0	17



Week Ending: 1/31/2020

## 2014 - 2020 YTD Locational Marginal Pricing (LMPs)



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