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***Week Ending February 15, 2019***

**Please contact me to review a joint RBN Energy daily publication detailing natural gas fundamentals.**

**Price Action:** The March contract rose 4.2 cents (1.6%) to \$2.625 on a 20.1 cent range (\$2.744/\$2.543).

**Price Outlook:** A bullish weather forecast lifted prices early in the week while a lower than expected EIA storage withdrawal and moderating forecasts pushed prices lower to end the week. The result was prices that posted both a new high and low. Of the 998 weeks since 2000, natural gas has witnessed 114 weeks where both a new high and low are posted. Only 94 weeks witnessed neither a new high nor low. The low to end the week was the 4<sup>th</sup> consecutive week of a new weekly low. There have been 44 occurrences where prices posted a new low exactly 4 weeks in a row with 24 instances where the market posted exactly 5 consecutive weekly lows. For daily updated storage projections, subscribe to our joint publication with RBN Energy. CFTC data indicated a 1,641 contract increase in the managed money net long position as longs added and shorts added. Total open interest rose 10,764 to 3.651 million as of January 22. Aggregated CME futures open interest fell to 1.232 million as of February 15. The is the lowest open interest since December 28, 2018. The current weather forecast is now cooler than 9 of the last 10 years. Pipeline data indicates total flows to Cheniere's Sabine Pass export facility were at 3.3 bcf. Cove Point is net exporting 0.8 bcf. Corpus Christi is exporting 0.696 bcf. Cameron is exporting 0.000 bcf.

**Weekly Storage:** US working gas storage for the week ending February 8 indicated a withdrawal of (78) bcf. Working gas inventories fell to 1,882 bcf. Current inventories fall (2)bcf (-0.1%) below last year and fall (349) bcf (-15.6%) below the 5-year average.

**Storage Outlook:** The EIA weekly implied flow was 10 bcf from our EIA storage estimate. This week's storage returned outside our tolerance. The forecasts use a 10-year rolling temperature profile past the 15-day forecast. Our joint publication with RBN updates storage projections daily.

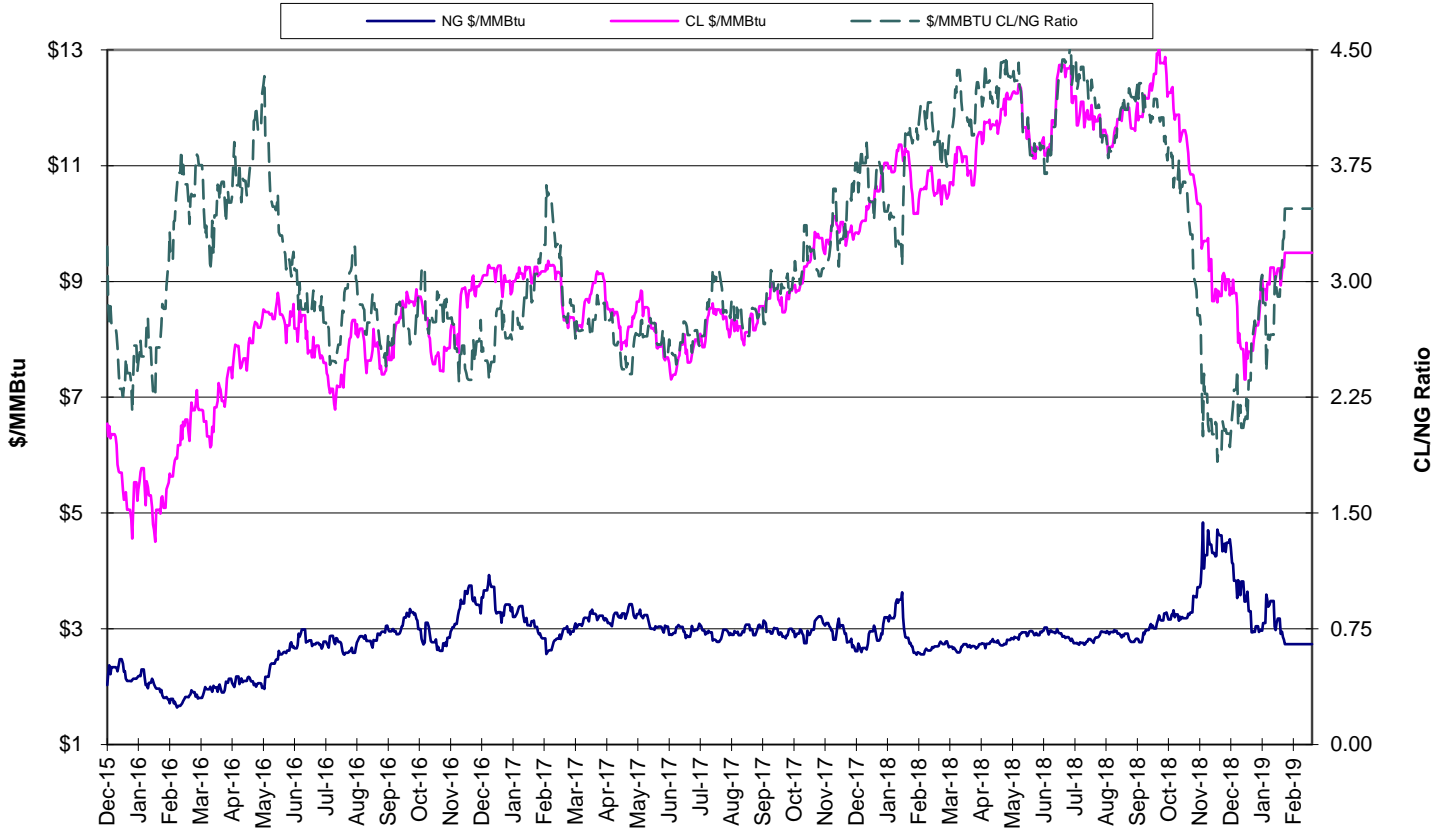
**Supply Trends:** Total supply fell (1.3)bcf/d to 83.8 bcf/d. US production fell. Canadian imports fell. LNG imports fell. LNG exports fell. Mexican exports fell. The US Baker Hughes rig count rose +2. Oil activity increased +3. Natural gas activity decreased (1). The total US rig count now stands at 1,051. The Canadian rig count fell (16) to 224. Thus, the total North American rig count fell (14) to 1,275 and now trails last year by (18). The higher efficiency US horizontal rig count fell (8) to 915 and rises +76 above last year.

**Demand Trends:** Total demand fell (25.1) bcf/d to +95.1 bcf/d. Power demand fell. Industrial demand fell. Res/Comm demand fell. Electricity demand fell (6,805) gigawatt-hrs to 76,185 which trails last year by (3,260) (-4.1%) and trails the 5-year average by (3,162)(-4.0%%).

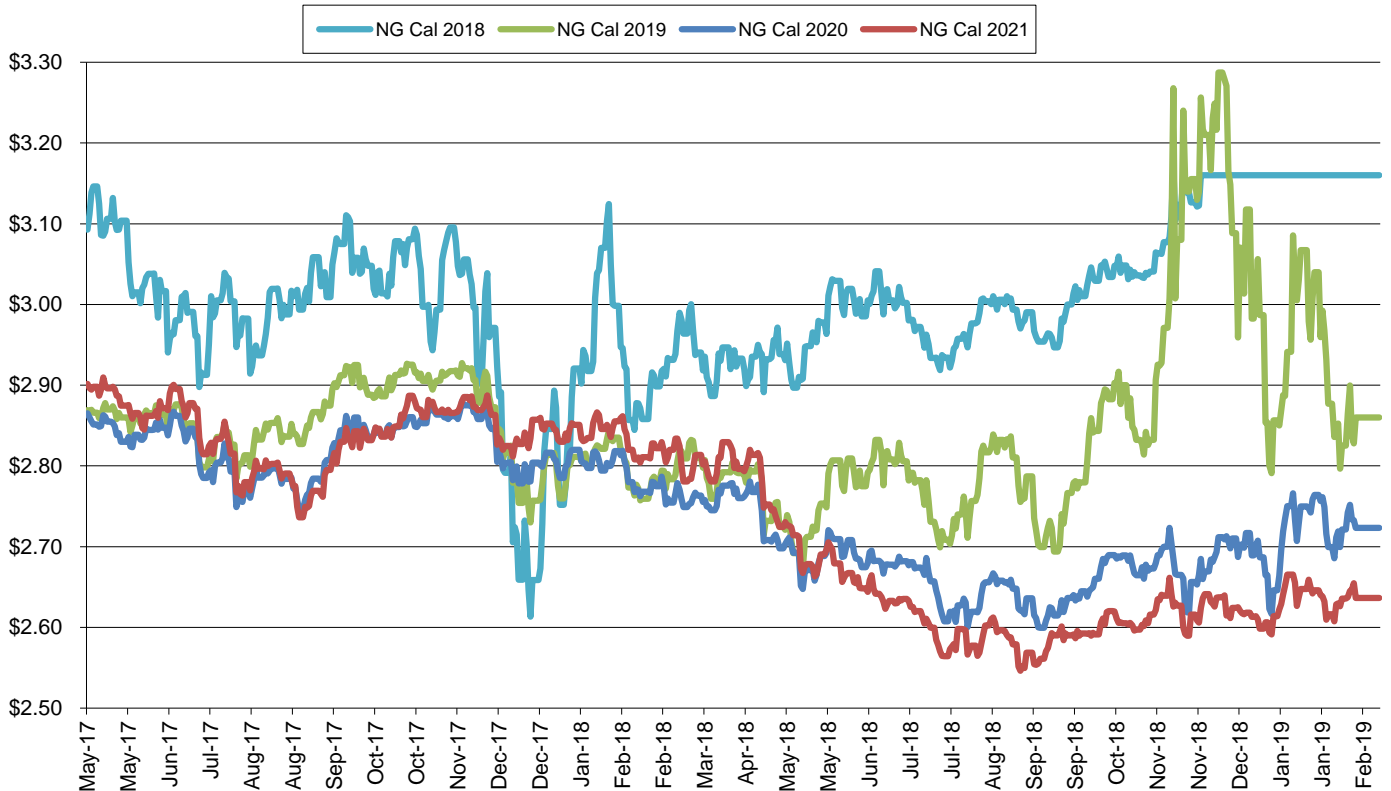
**Nuclear Generation:** Nuclear generation fell (1,327)MW in the reference week to 93,527 MW. This is (1,156) MW lower than last year and +922 MW higher than the 5-year average. Recent output was at 92,853 MW.

- The heating season has begun. With a forecast through March 1 the 2018/19 total cooling index is at (2,442) compared to (2,154) for 2017/18, (1,898) for 2016/17, (1,974) for 2015/16, (2,372) for 2014/15, (2,589) for 2013/14, (2,298) for 2012/13 and (2,209) for 2011/12.

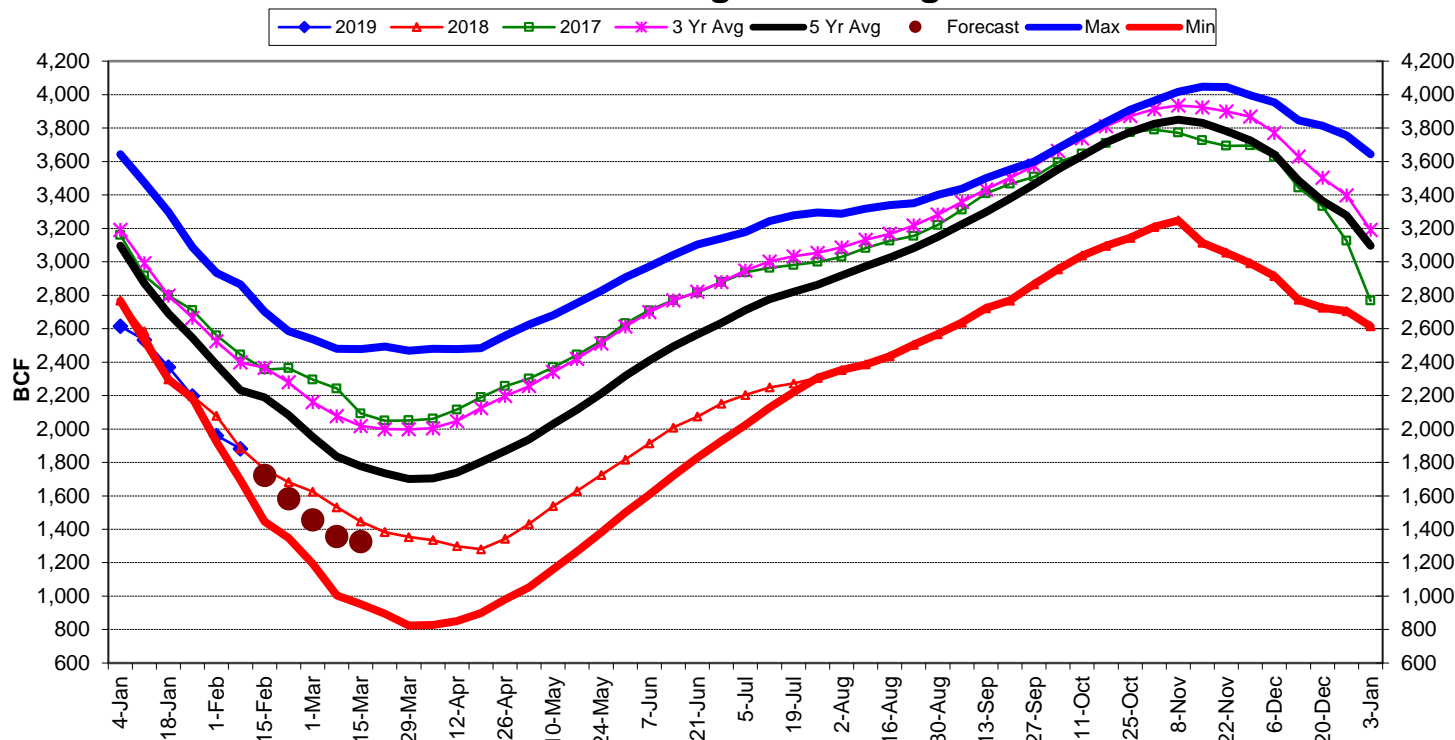
## \$/MMBtu Ratio of NYMEX CL and NG



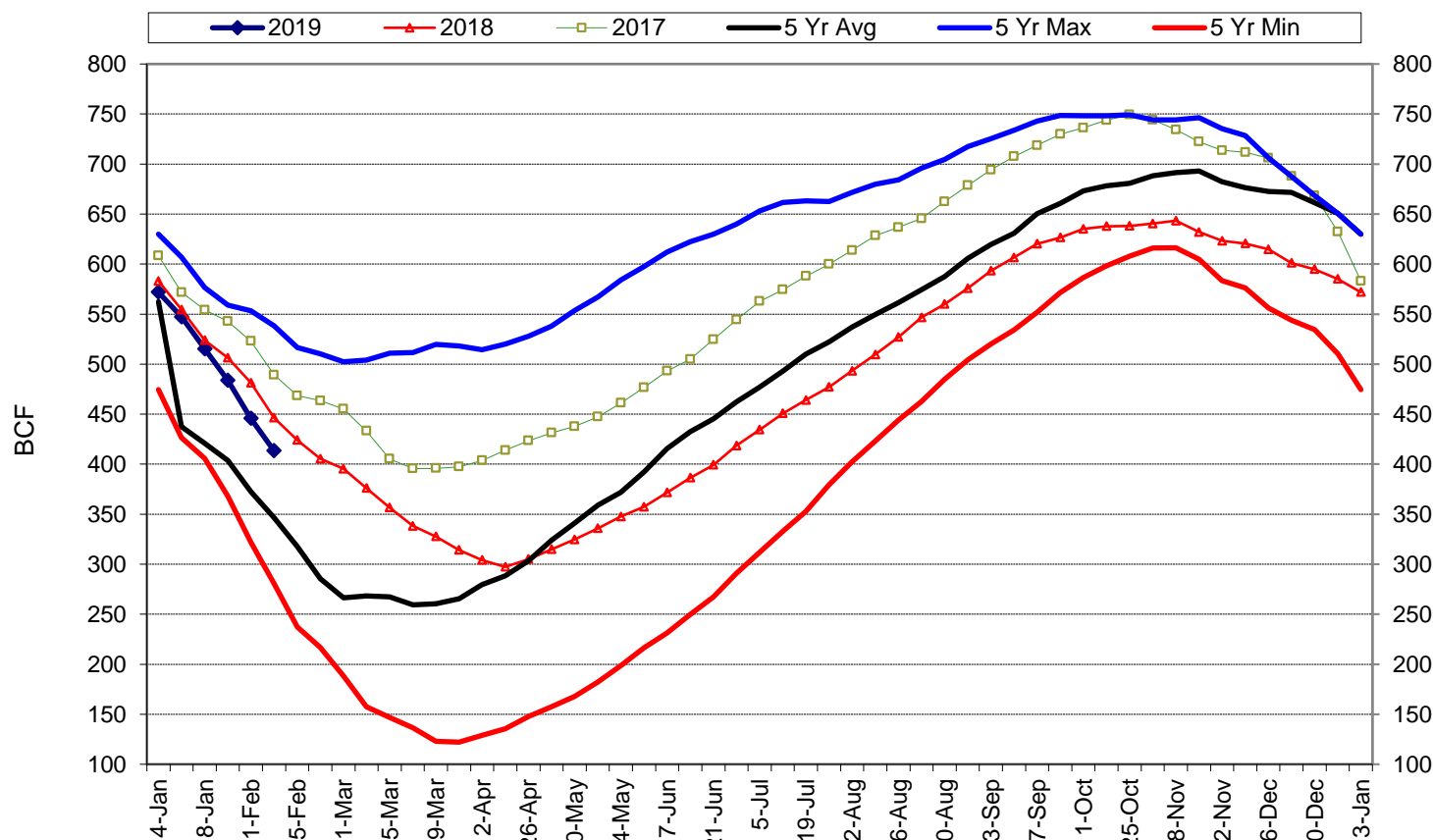
## NYMEX Calendar Strips



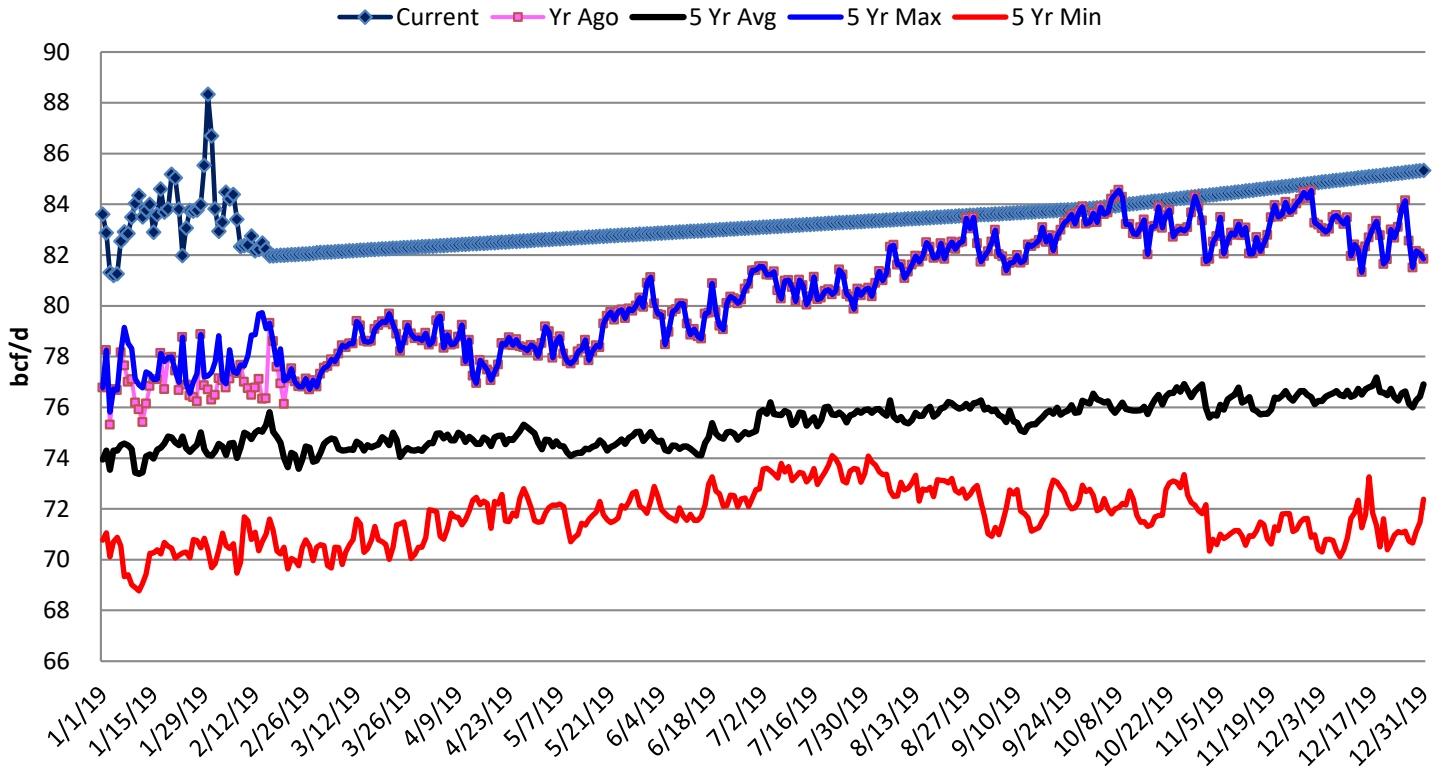
## US Total Working Gas Storage - Source - EIA



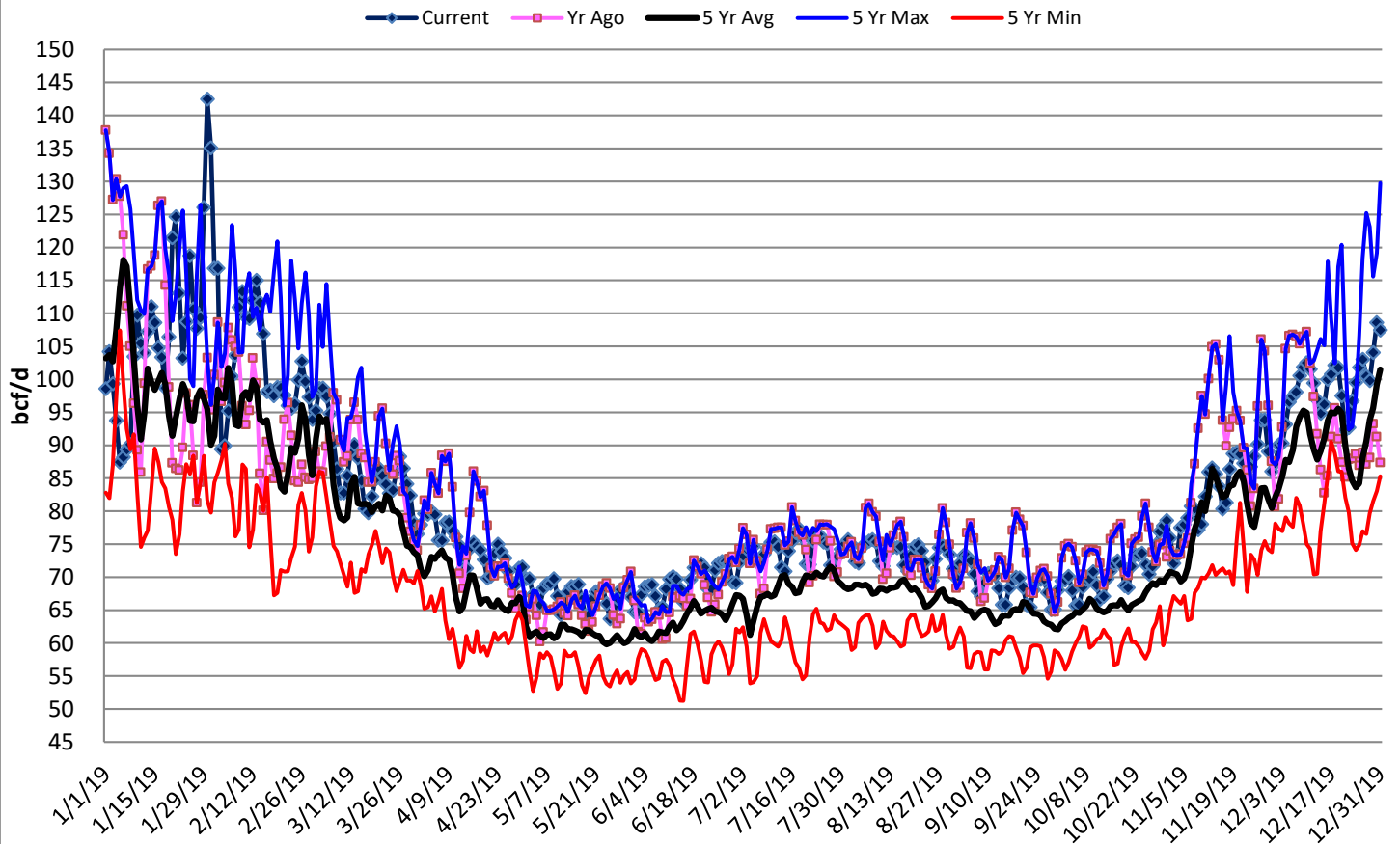
## Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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