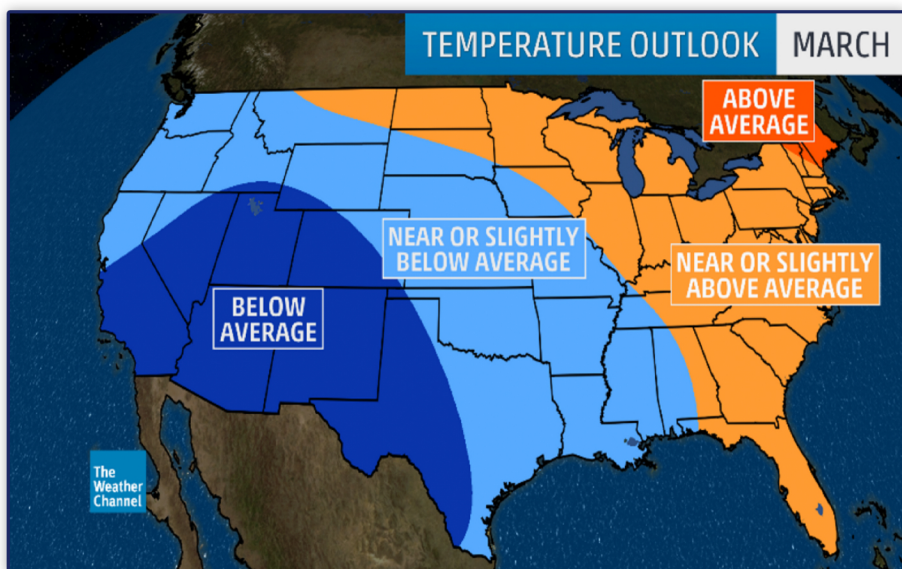


### Market Summary

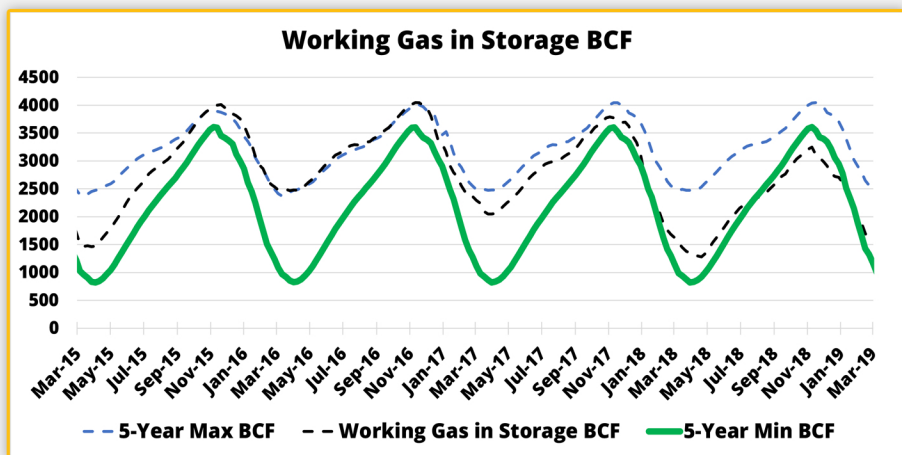
After record demand caused by wild weather, the warming spring months promise a bit of reprieve as demand and supply move toward equilibrium. For now, upward pricing pressures are moderated by production quantities.

## Weather



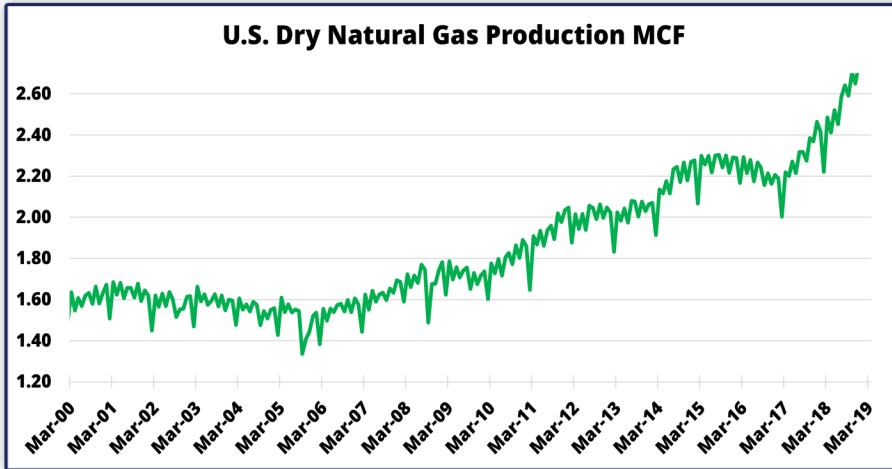
- This year's early-February Polar Vortex resulted in record natural gas consumption in the United States, setting a new single-day record on January 30 - topping previous record set January 1, 2018.
- Short-term cold snap during March set to ease later this month.

## Storage



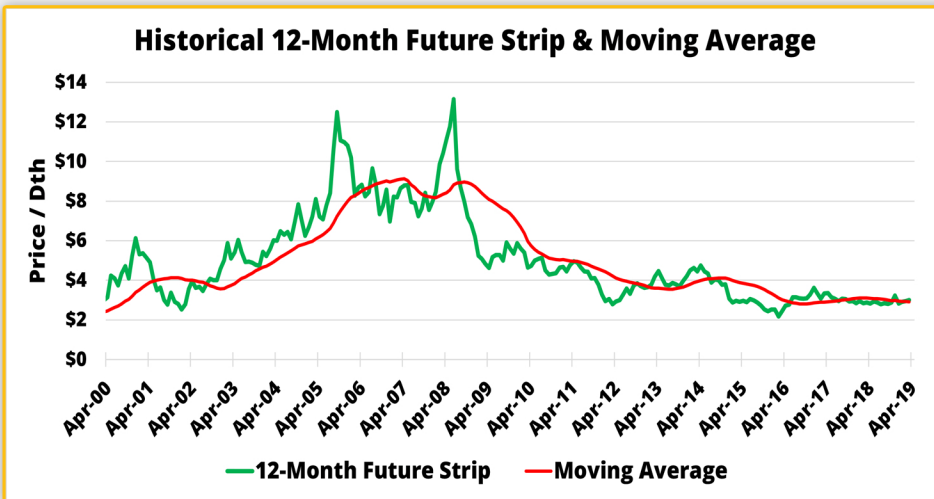
- Western region capacity, weather, and pipeline maintenance issues have combined to set record highs with Sumas (Washington) priced at \$40/Dth.
- Working gas stocks totaled 1,390 Bcf, which is 464 Bcf lower than the five-year average and 243 Bcf lower than last year at this time.

# Production



- The Appalachia region has increased from 2 Bcf/day in 2009 to more than 30 Bcf/day in 2018.
- Production highs are the only thing keeping prices down in light of low storage figures.
- Generally speaking, the United States is experiencing record output alongside record demand.

# Pricing



# Bidweek

Month	12-Month Strip	NYMEX
Nov. '18	\$2.953	\$3.190
Dec. '18	\$3.240	\$4.714
Jan. '19	\$2.806	\$3.642
Feb. '19	\$2.818	\$2.950
<b>Mar. '19</b>	<b>\$3.008</b>	<b>\$2.860</b>

Wholesale Prices per Mmbtu

# Noteworthy

- Exxon Mobil finalized its decision with Qatar Petroleum to build a \$10 billion LNG export project on Texas's Gulf of Mexico coast.
- Natural gas exports to Mexico continue to increase, with an 11% surge in the first 9 months of 2018 – hitting 4.6 Bcf/day.
- Los Angeles to abandon its plans to replace three aging natural gas power plants with new ones and instead will invest in renewable energy. The region aims to phase out fossil fuels by 2029.
- Last year (2018) was a record year for LNG exports – hitting 110 Bcf, a 35% jump from November 2017.
- Coal mines continue to close as 2008 count of 1,435 has dropped to 671 nationwide.
- Moody's to examine downgrading SoCal Edison and SDG&E as PG&E's bankruptcy has shed light on the substantial risks associated with California utilities and wildfire/weather-related liability.