

**Early Morning Update**

The Feb21 natural gas contract is trading up \$0.11 at \$2.69. The Feb21 crude oil contract is up \$0.48 at \$48.10.

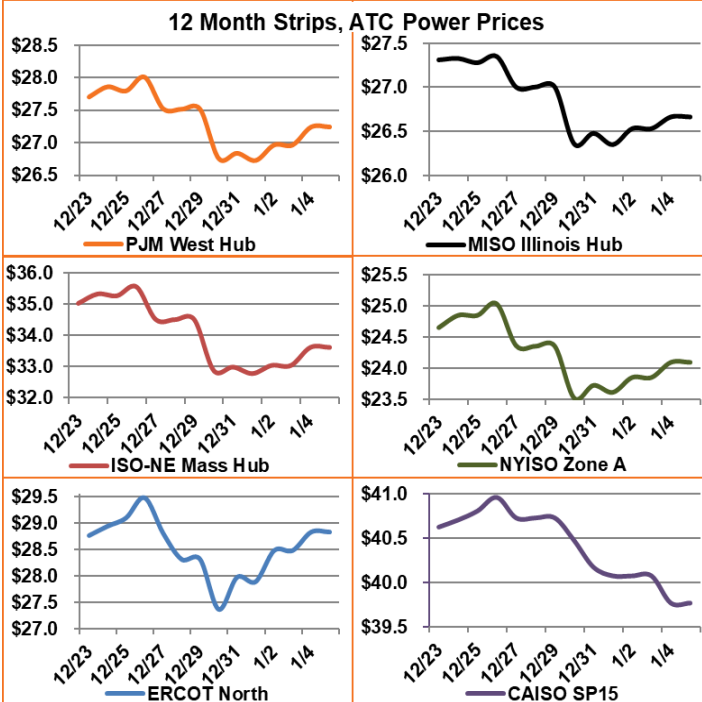
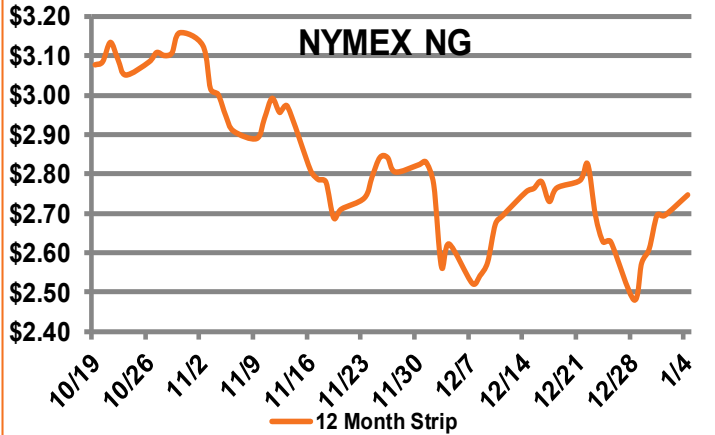
**Summary:** The natural gas and energy markets have been relatively quiet so far in 2021. However, that is not to say that there hasn't been a steady, yet, slow increase to NYMEX natural gas pricing since last Monday's sell-off. Yesterday, the prompt month settled a little more than four cents higher than when it opened, but analysts should note that the Feb '21 contract traded up as much as 12 cents during the trading session. With most fundamental factors indicating for a flat market, one should not be surprised by the lack of movement. A great example is the weather; meteorologists have indicated that the continental U.S. is expected to experience a warmer-than-normal January. Temperatures are typically the coldest of the winter during this month, meaning normal temperatures generally sink to their lowest. However, the forecasted moderate temperatures will most likely not drastically increase prices for either gas or electricity. Production has also maintained levels just under 91 Bcf/d, adding to the market's bearishness. One factor that may put upward pressure on prices is LNG exports. LNG is selling at prices above benchmark in North Asia as demand from colder winter weather there has outpaced available supplies in the market.

**Bullish Factors**

- LNG exports back in force
- High exports to Mexico
- Unstable production

**Bearish Factors**

- Coronavirus impacts on demand
- Healthy storage levels
- Lack of significant heating demand



**Next Day On-Peak Power (traded for 1/5/2021)**

<b>ISO-NE Mass Hub</b> \$32.83	<b>MISO Indiana Hub</b> \$27.00	<b>NYISO Zone G</b> \$28.82
<b>PJM West Hub</b> \$26.39	<b>ERCOT North</b> \$20.27	<b>CAISO SP15</b> \$38.86
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Feb-21	2.581	0.042
Mar-21	2.561	0.035
12 Month	2.747	0.052
Cal 22	2.612	0.029
Cal 23	2.465	0.006

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	3,574	3,726	3,296	3,356
<b>Diff v. Current</b>		-152	278	218
<b>% Diff</b>			8.4%	6.5%

