

Early Morning Update

The Feb21 natural gas contract is trading down \$0.05 at \$2.49. The Feb21 crude oil contract is down \$0.31 at \$53.00.

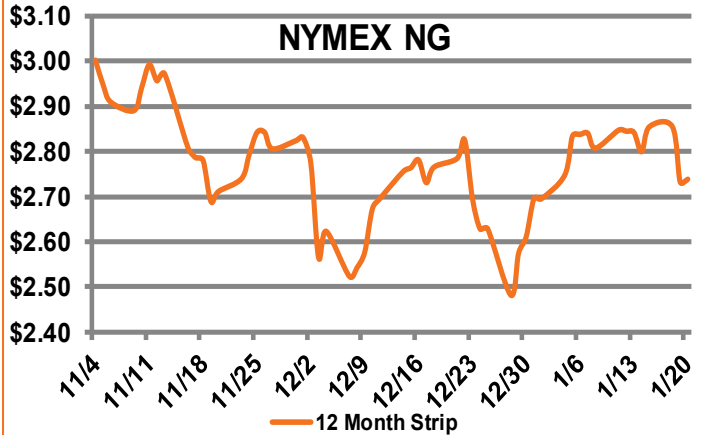
Summary: The very large natural gas sell-off at the front of the NYMEX curve appears to have slowed, as the Feb '21 prompt month contract closed out yesterday's trading session less than a penny lower than the previous day at \$2.539/MMBtu. The rolling 12-month strip echoed that same sentiment by settling flat, and, similarly, the 2022-2025 calendar strips moved one cent or less. Revised weather conditions, eliminating the threat of a looming polar vortex, have helped ease the concern for any significant run-up in demand that would come from widespread frigid temperatures. One item to note about the weather for Californians, though, is in the upcoming 6-10 day forecast in the West. Forecasts show temperatures well below normal rolling in during the last week of January which could cause potential volatility in the index markets. Be on the lookout later this morning for the EIA's weekly natural gas storage report to be released. Market participants are expecting the largest withdrawal of the season in the neighborhood of 188 Bcf to be reported. If actualized, this withdrawal would be 21 Bcf larger than the 5-year average benchmark.

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

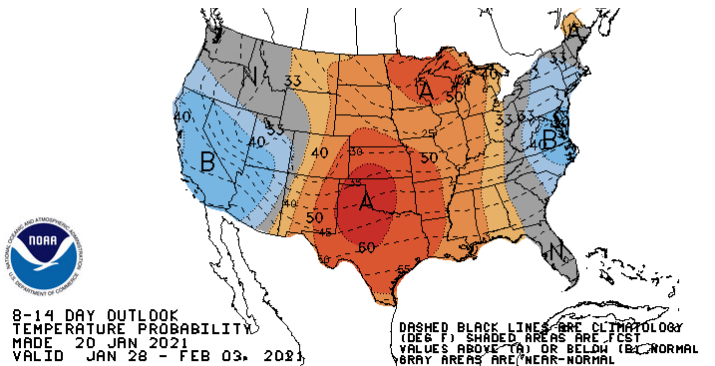
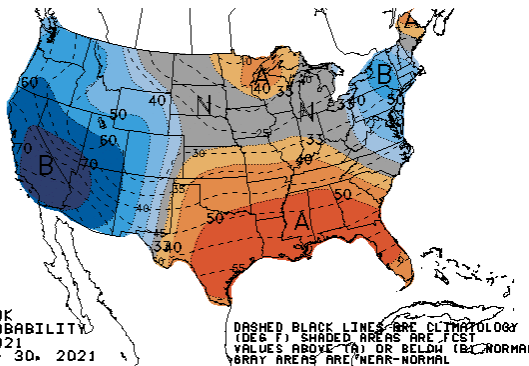
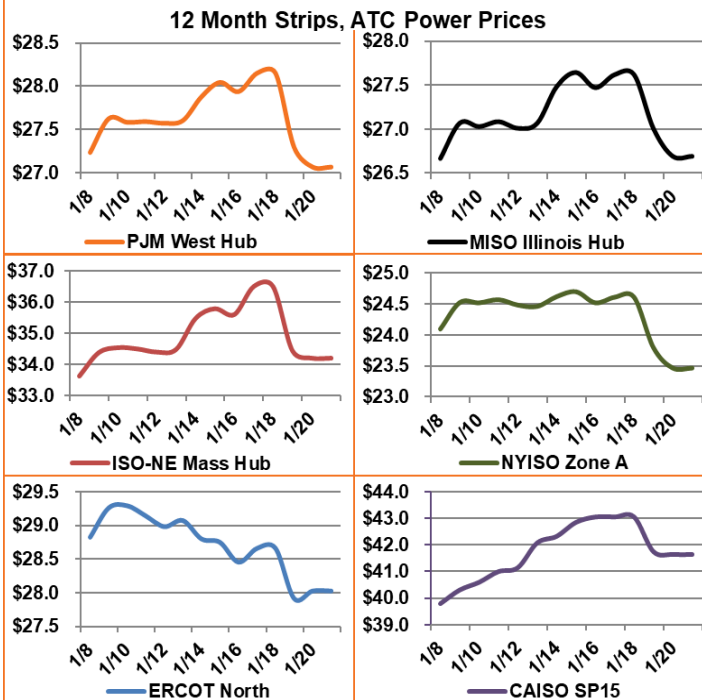


Next Day On-Peak Power (traded for 1/21/2021)

ISO-NE Mass Hub \$39.75	MISO Indiana Hub \$23.68	NYISO Zone G \$37.47
PJM West Hub \$23.79	ERCOT North \$21.85	CAISO SP15 \$29.25
NYMEX NG	Close	Change
Feb-21	2.539	-0.007
Mar-21	2.533	0.004
12 Month	2.738	0.006
Cal 22	2.653	0.000
Cal 23	2.530	0.017

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,196	3,330	3,070	2,978
Diff v. Current		-134	126	218
% Diff			4.1%	7.3%



90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%

90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%