

### Early Morning Update

The Mar21 natural gas contract is trading down \$0.05 at \$2.65. The Mar21 crude oil contract is up \$0.35 at \$53.20.

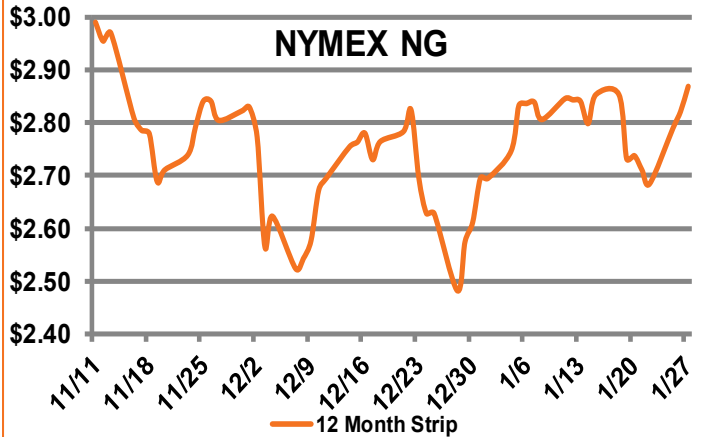
**Summary:** Once again, the short-term natural gas market climbed higher yesterday in response to progressively frigid weather forecasts across the major centers of demand in the U.S. Week-over-week, temperature highs for the next few days in the Northeast and Midwest that were previously expected to reach the mid-30s and 40s have had colder revisions down into the low-to-mid 20s and 30s. Demand for gas across these regions, including Texas, is expected to see an uptick of nearly 10 Bcf/d. As a result, the February contract experienced the most movement within the 12-month strip yesterday, gaining ten cents before expiring at \$2.760/MMBtu. This settlement price is \$0.10/MMBtu below the February average settlement for the last five years, but nearly \$1.00/MMBtu higher than last year. The rest of contracts within the 12-month strip also strengthened, but less, within the range of \$0.01 to \$0.06/MMBtu. Today's storage report is expected to fall within the range of -143 Bcf to -128 Bcf, which would be much less than the 174 Bcf five-year average withdrawal. However, given the upcoming cold, next week's withdrawal is likely to surpass the five-year benchmark and add further strength to forward prices.

### 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

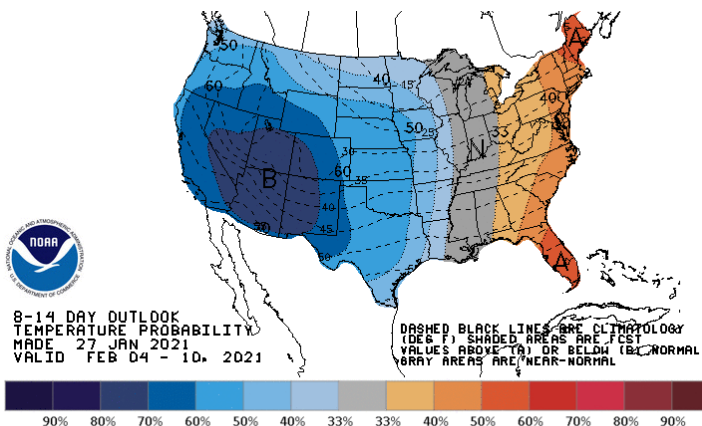
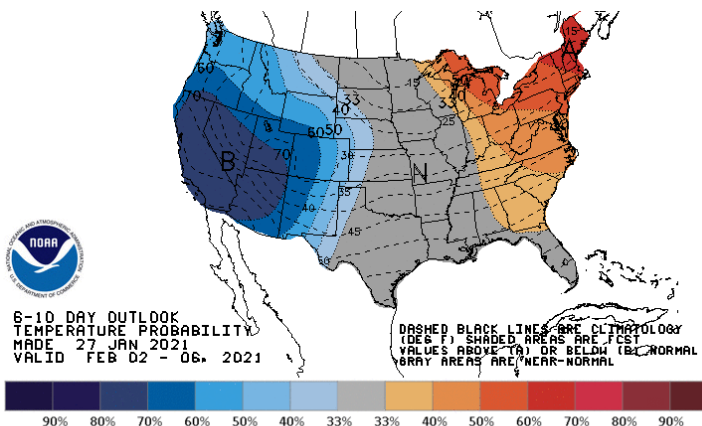
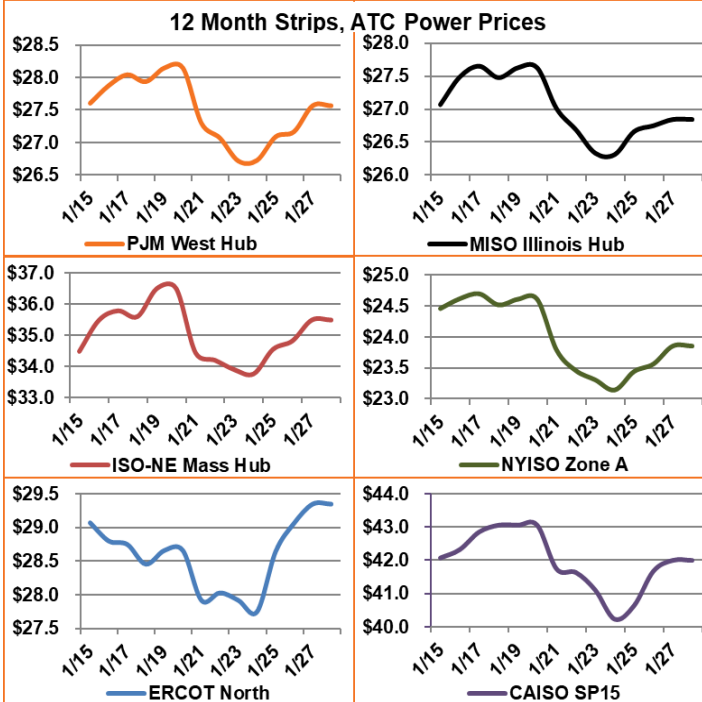


### Next Day On-Peak Power (traded for 1/28/2021)

ISO-NE Mass Hub \$76.62	MISO Indiana Hub \$41.50	NYISO Zone G \$42.32
PJM West Hub \$36.15	ERCOT North \$27.40	CAISO SP15 \$36.18
NYMEX NG	Close	Change
Feb-21	2.760	0.104
Mar-21	2.702	0.066
12 Month	2.870	0.048
Cal 22	2.687	0.012
Cal 23	2.554	0.004

### EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	3,009	3,196	2,973	2,811
<b>Diff v. Current</b>		-187	36	198
<b>% Diff</b>			1.2%	7.0%



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

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