

Early Morning Update

The Jan '21 natural gas contract is trading up \$0.10 at \$4.03. The Jan '21 crude oil contract is down \$0.17 at \$71.50.

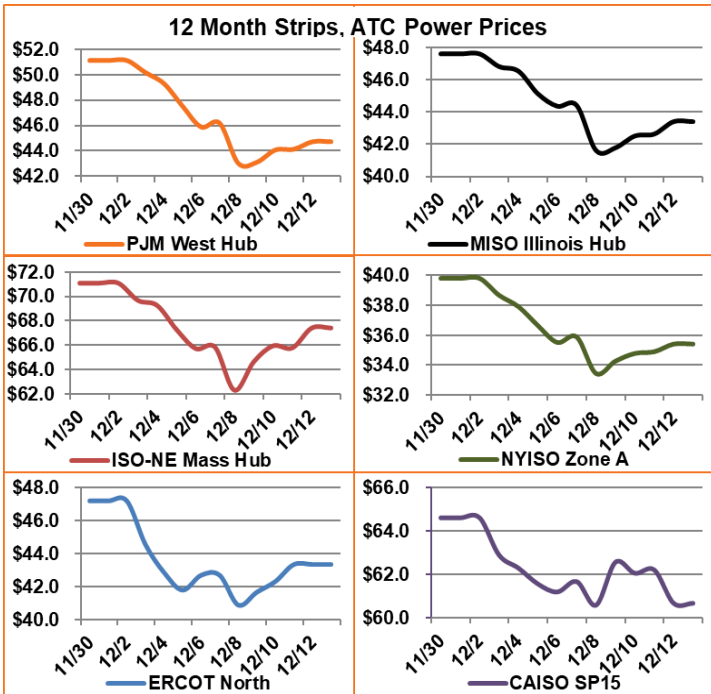
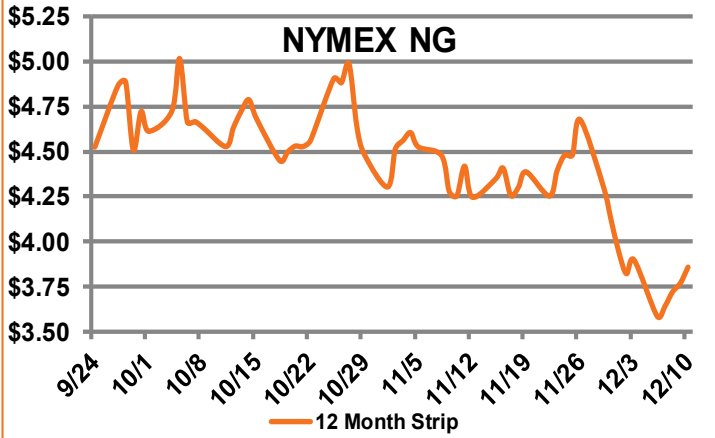
Summary: Last week the market saw a slight increase in price towards the end of the week, but, overall, prices stayed much lower than they have been in recent months. The lower prices are mainly attributed to warmer weather and mild conditions across the country. Over the weekend, total demand stabilized from the large decrease it experienced earlier on in the week and is sitting at 108.8 Bcf/d today. The changes in total demand were from power burn, industrial, and res/comm, which all saw changes >1 Bcf/d since Friday, and are currently at 28.4, 24.2, and 35.7 Bcf/d, respectively. Most of the changes in industrial and res/comm demand are coming from the Midcon area and Texas, while the changes in power burn can mainly be seen from the Northeast U.S. Dry production had a slight increase of 0.1 Bcf/d to 95.1 Bcf/d, and total supply increased by 0.3 Bcf/d to 99.7 Bcf/d from an increase in Canadian imports. This upcoming week will continue to have warmer weather, with some areas in the Midwest coming close to record highs, before dropping back to more seasonal colder temperatures next week.

Bullish Factors

- Record high LNG exports
- Extremely high global gas markets
- High exports to Mexico

Bearish Factors

- Warmer-than-normal temps
- Year-to-date power burn below 2020
- Flat industrial demand



Next Day On-Peak Power (traded for 12/13/2021)

ISO-NE Mass Hub \$34.95	MISO Indiana Hub \$47.59	NYISO Zone G \$37.24
PJM West Hub \$46.05	ERCOT North \$30.74	CAISO SP15 \$69.86
NYMEX NG	Close	Change
Jan-22	3.925	0.111
Feb-22	3.889	0.105
12-Month	3.858	0.089
Cal 22	3.858	0.089
Cal 23	3.439	0.028

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,505	3,564	3,861	3,595
Diff v. Current		-59	-356	-90
% Diff			-9.2%	-2.5%

