

**Early Morning Update**

The Jan21 natural gas contract is trading up \$0.10 at \$2.50. The Jan21 crude oil contract is up \$0.30 at \$45.90.

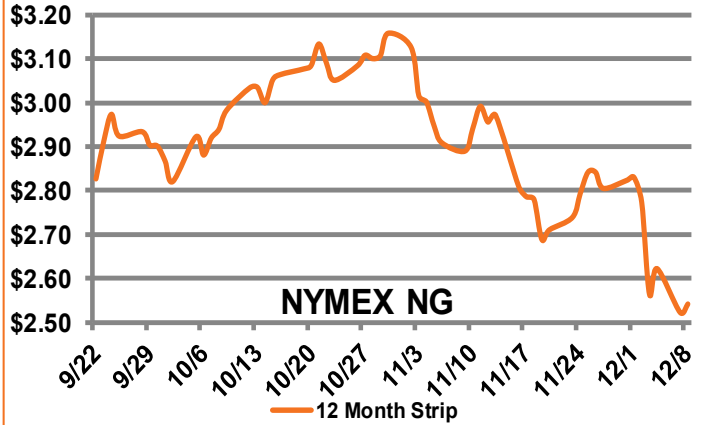
**Summary:** Yesterday's trading activity showed some reprieve from the recent sell-off. The prompt month contract lost just \$0.007, opening the trading day at \$2.406/MMBtu and closing at \$2.399/MMBtu. The January 2021 contract has lost \$0.56/MMBtu since the Thanksgiving holiday (talk about a black Friday special!). Above-average temperatures have mainly dominated the weather forecasts. While some cold days come and go, much of the country is experiencing warmer-than-normal temps, a recipe for lackluster heating demand. All the while, many analysts expected to see production of natural gas continue on a descending path as many producers warned that they were planning to curtail production. However, natural gas production is pushing 90 Bcf/day and northeast production in the Marcellus/Utica is reaching new highs, in the 34 Bcf/day range. What could turn this around? Several things could turn bullish: weather, production, technical trading, LNG demand. This could be a buying opportunity for customers who are looking to lock in low prices. Looking ahead, tomorrow's EIA storage report is expected to report a withdrawal that is larger than the 5-year average.

**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

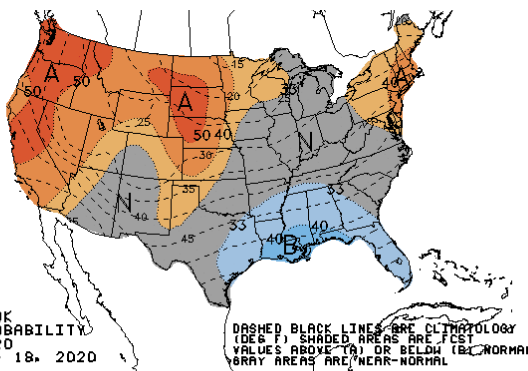
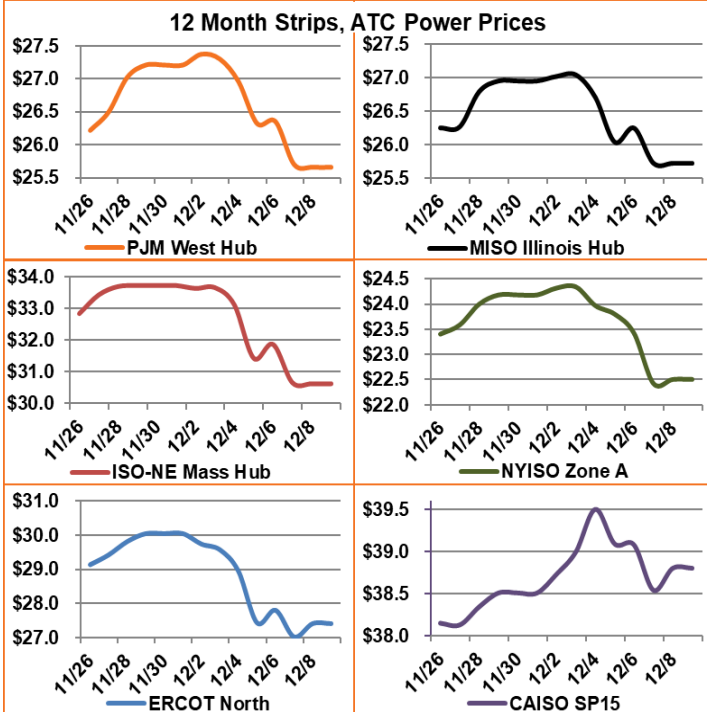


**Next Day On-Peak Power (traded for 12/9/2020)**

ISO-NE Mass Hub \$34.13	MISO Indiana Hub \$26.32	NYISO Zone G \$31.25
PJM West Hub \$25.90	ERCOT North \$19.50	CAISO SP15 \$45.25
NYMEX NG	Close	Change
Jan-21	2.399	-0.007
Feb-21	2.422	-0.011
12 Month	2.542	0.019
Cal 22	2.556	0.000
Cal 23	2.466	-0.012

**EIA Natural Gas Storage**

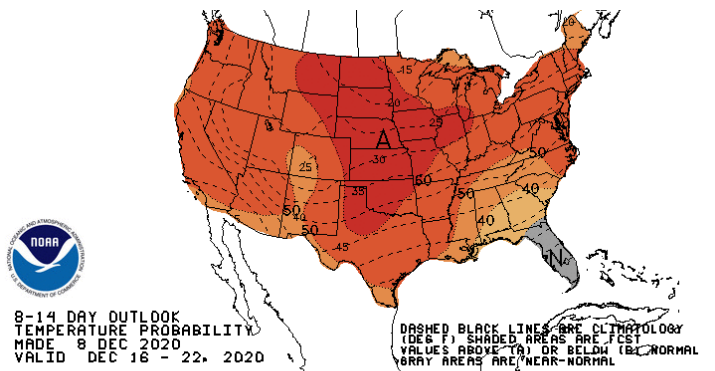
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	3,939	3,940	3,596	3,649
<b>Diff v. Current</b>		-1	343	290
<b>% Diff</b>			9.5%	7.9%



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 8 DEC 2020  
VALID DEC 14 - 18, 2020

DASHED BLACK LINES ARE CLIMATOLOGY  
(DEB F) SHADED AREAS ARE FCST  
VALUES ABOVE (A) OR BELOW (B) NORMAL  
GRAY AREAS ARE NEAR-NORMAL

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



8-14 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 8 DEC 2020  
VALID DEC 16 - 22, 2020

DASHED BLACK LINES ARE CLIMATOLOGY  
(DEB F) SHADED AREAS ARE FCST  
VALUES ABOVE (A) OR BELOW (B) NORMAL  
GRAY AREAS ARE NEAR-NORMAL

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