

**Early Morning Update**

The Jan21 natural gas contract is trading down \$0.14 at \$2.64. The Jan21 crude oil contract is down \$0.03 at \$45.25.

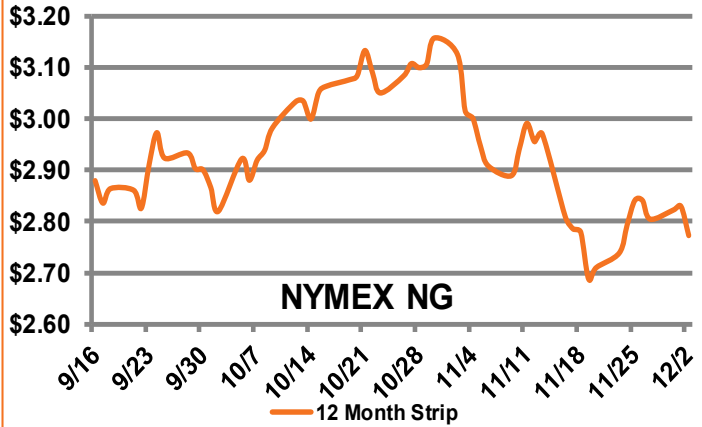
**Summary:** The NYMEX natural gas market saw a substantial selloff yesterday, with the prompt month shedding a dime and Cal '21 losing a nickel. The prompt month closed the day at \$2.780/MMBtu, which is the lowest settlement so far for Jan '21 as the prompt month. The downward movement remained centered at the front of the curve, as the outer calendar strips experienced very little movement. Warmer weather in the Northeast bolstered a drop in res/comm heating demand by 1.6 Bcf/d from yesterday, and, similarly, power burn demand in the Southeast dipped by 1.3 Bcf/d day-over-day. This drop in demand was enough to tip the fundamentals scale and lean the market in a more bearish direction. Another component that could tip the scale further is the natural gas storage report that will be released later this morning. This week's storage report is expected to show a minimal withdrawal of roughly 16 Bcf for the week ending Nov. 27. If this actualizes, this would be considerably lower than both last year's draw of 47 Bcf, as well as the 37 Bcf five-year average withdrawal.

**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



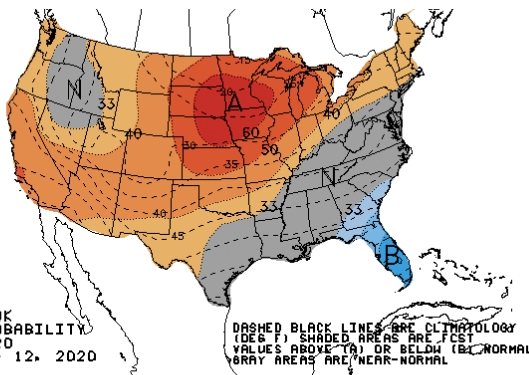
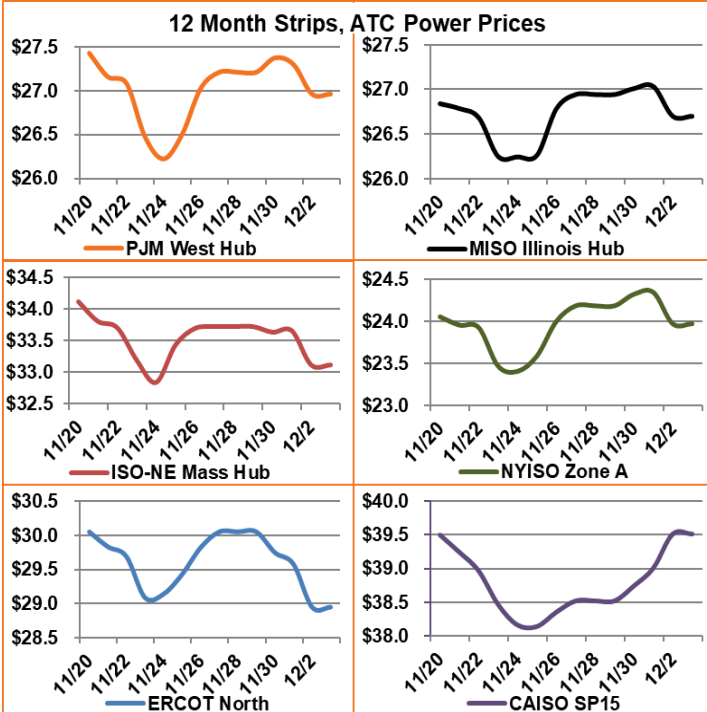
**Next Day On-Peak Power (traded for 12/3/2020)**

ISO-NE Mass Hub \$26.82	MISO Indiana Hub \$27.62	NYISO Zone G \$26.18
PJM West Hub \$26.20	ERCOT North \$26.43	CAISO SP15 \$41.65

NYMEX NG	Close	Change
Jan-21	2.780	-0.100
Feb-21	2.778	-0.090
12 Month	2.773	-0.057
Cal 22	2.674	-0.015
Cal 23	2.526	0.001

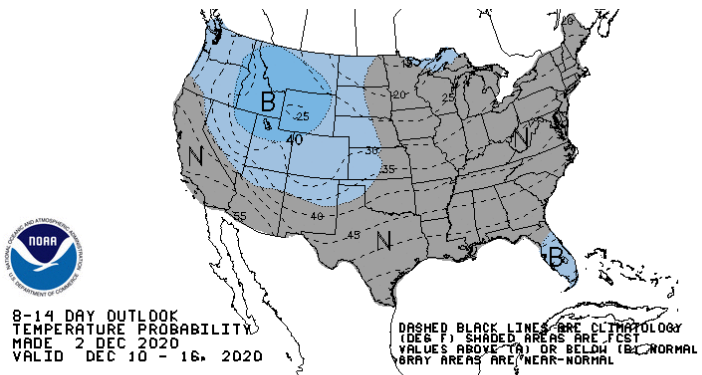
**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,940	3,958	3,618	3,690
Diff v. Current		-18	322	250
% Diff			8.9%	6.8%



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 2 DEC 2020  
VALID DEC 08 - 12, 2020

DASHED BLACK LINES ARE CLIMATOLOGY  
(DEG F) SHADED AREAS ARE FCST  
VALUES ABOVE (+) OR BELDN (-) NORMAL  
GRAY AREAS ARE NEAR-NORMAL



8-14 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 2 DEC 2020  
VALID DEC 10 - 16, 2020

DASHED BLACK LINES ARE CLIMATOLOGY  
(DEG F) SHADED AREAS ARE FCST  
VALUES ABOVE (+) OR BELDN (-) NORMAL  
GRAY AREAS ARE NEAR-NORMAL

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

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