

**Early Morning Update**

The Jan21 natural gas contract is trading up \$0.01 at \$2.45. The Jan21 crude oil contract is up \$0.63 at \$46.15.

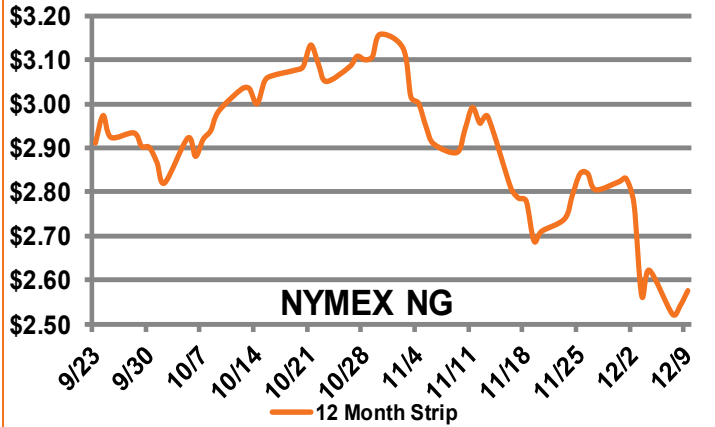
**Summary:** The natural gas market turned less-bearish yesterday, as contracts through December 2023 strengthened slightly. The prompt month contract was the biggest mover of the lot, settling 4.3 cents higher day-over-day at \$2.442/MMBtu. Contracts beyond the prompt month through December 2023 moved even less, but at least \$0.015/MMBtu. Though small, the cause for the rally was likely multi-pronged, as demand increased unevenly across the U.S. The most notable driver is the near-record demand for feedgas for LNG exports at 11.4 Bcf/d, coupled with the waning Canadian imports into the Northeast, which have fallen over 1.0 Bcf/d to 4.8 Bcf/d today. Today's potentially bullish storage report from the U.S. Energy Information Administration for the week to December 4 may add more fuel to the rally, as withdrawal estimates range from 79 to 99 Bcf, all greater than the five-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 12/10/2020)**

ISO-NE Mass Hub \$28.50	MISO Indiana Hub \$22.77	NYISO Zone G \$25.43
PJM West Hub \$25.16	ERCOT North \$19.59	CAISO SP15 \$38.54
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Jan-21	2.442	0.043
Feb-21	2.456	0.034
12 Month	2.576	0.034
Cal 22	2.583	0.027
Cal 23	2.483	0.017

**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%

