

**Early Morning Update**

The Jan21 natural gas contract is trading up \$0.03 at \$2.58. The Jan21 crude oil contract is down \$0.61 at \$46.77.

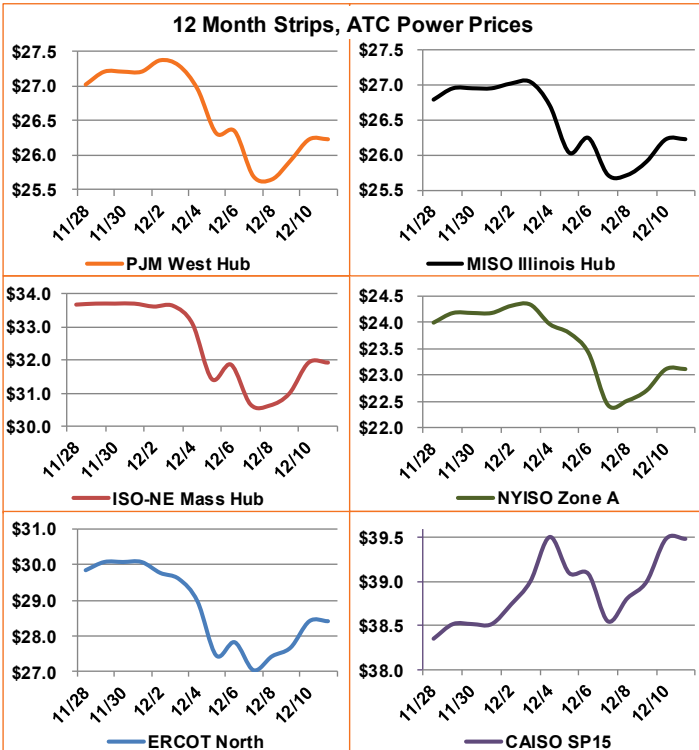
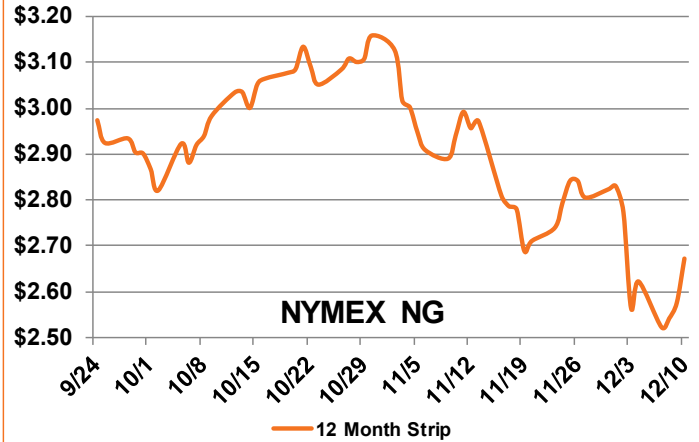
**Summary:** The Energy Information Administration published their report for storage change yesterday and quickly changed the bearish trend we experienced the first half of the week. Their report showed a 91 Bcf withdrawal when a 86 Bcf was expected in the face of a 65 Bcf five-year average. This quickly pushed the NYMEX natural gas prompt month up \$0.13/MMBtu. This is a fairly large market movement, but still slightly smaller than the earlier bearish moves we saw on Monday. A quick recovery like this, pushed up by fundamentals such as storage levels is a great demonstration of how tight buying opportunities are for forward hedges. Fortunately, current day ahead pricing is still more competitive in most markets due to the current warmer weather patterns keeping demand off of the top. Despite this, market forecasts for this winter still indicate a colder January and February than December. Keep this in mind when looking at your energy spend, and feel free to reach out to our team of energy advisors if you would like to review your company's natural gas or energy strategies.

**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 12/11/2020)**

<b>ISO-NE Mass Hub</b> \$27.56	<b>MISO Indiana Hub</b> \$22.50	<b>NYISO Zone G</b> \$23.99
<b>PJM West Hub</b> \$21.84	<b>ERCOT North</b> \$19.80	<b>CAISO SP15</b> \$38.30

<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Jan-21	2.553	0.111
Feb-21	2.570	0.114
12 Month	2.672	0.096
Cal 22	2.599	0.016
Cal 23	2.488	0.005

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	3,848	3,939	3,539	3,588
<b>Diff v. Current</b>		-91	309	260
<b>% Diff</b>			8.7%	7.2%

