

Early Morning Update

The Jan21 natural gas contract is trading flat to yesterday's close at \$2.68. The Jan21 crude oil contract is up \$0.28 at \$48.10.

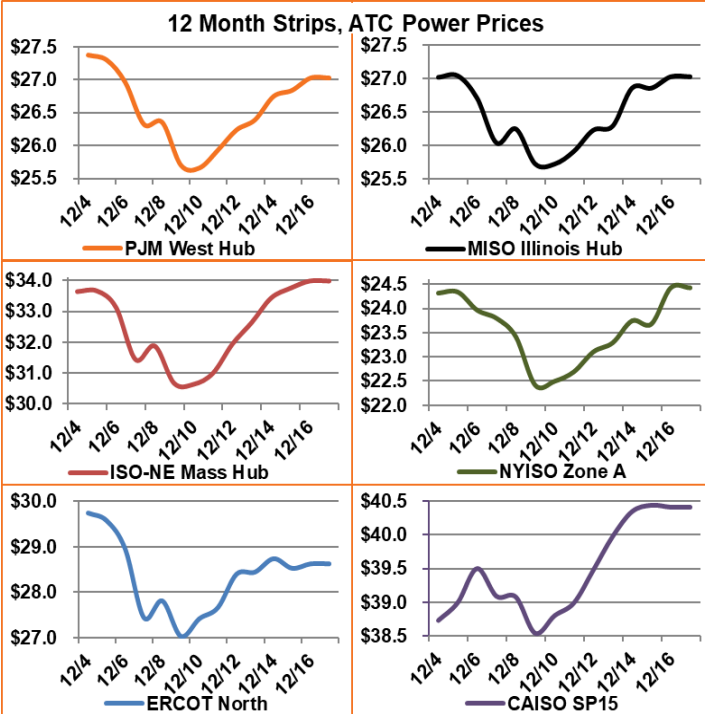
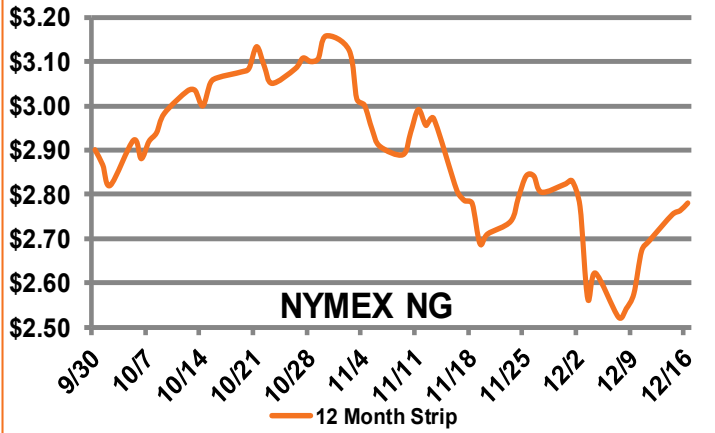
Summary: The Northeastern snowstorm wasn't enough to disrupt the natural gas fundamentals for the first quarter of 2021 and beyond, as yesterday's trading session was mostly uneventful. Warmer-than-normal temperatures and lower demand levels across most of the rest of the country, which are expected to carry through the next few weeks, seemed to stabilize the national landscape for gas. The January prompt contract, which has been very active over the last few weeks, lost only \$0.005/MMBtu during a seemingly volatile day. The February and March contracts performed similarly, gaining just \$0.001/MMBtu and \$0.003/MMBtu, respectively. Contracts within the rest of the twelve-month strip and beyond strengthened slightly, up about \$0.02/MMBtu. Today's expectation of a bullish storage report may have fueled some of the gains within the back of the curve. The range of withdrawals for the week to December 11th is 105 to 137 Bcf, much higher than the 105 Bcf five year average draw. Pulls from storage for the next two weeks are also expected to be much higher than historical averages (73 Bcf more than the 5YA), which will decrease the current surpluses significantly.

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 12/17/2020)

ISO-NE Mass Hub	MISO Indiana Hub	NYISO Zone G
\$81.50	\$33.45	\$53.38
PJM West Hub	ERCOT North	CAISO SP15
\$39.47	\$25.24	\$43.30
NYMEX NG		Change
Jan-21	2.677	-0.005
Feb-21	2.681	0.001
12 Month	2.780	0.017
Cal 22	2.643	0.012
Cal 23	2.502	0.014

EIA Natural Gas Storage

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

