

Early Morning Update

The Jan21 natural gas contract is trading down \$0.03 at \$2.67. The Jan21 crude oil contract is down \$2.10 at \$47.00.

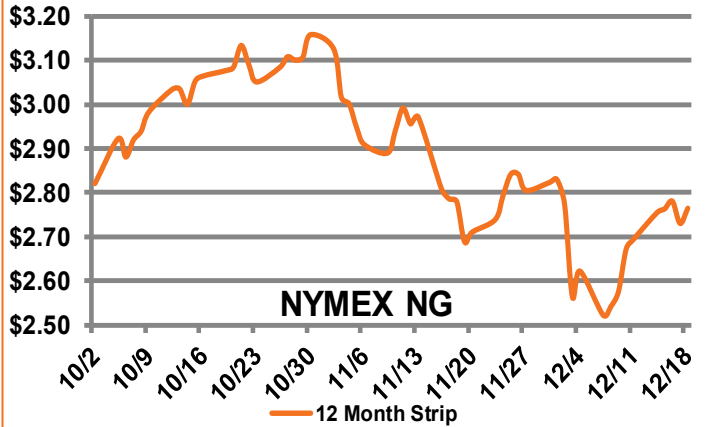
Summary: So much for a quiet weekend on the macroeconomic front. In the U.S., a \$900 billion COVID aid agreement was reached by congressional leaders and poised to be signed into law by the end of the year. The package focuses on industries hit hardest by the pandemic, additional unemployment benefits, and direct stimulus checks to most Americans. Across the Atlantic, a new strain of the Coronavirus in the south of England has prompted an extension lockdown post the Christmas holiday and travel bans across Europe in response. The net result of the combined action is a strong selloff in equity markets, with the FTSE100 down 3% and U.S. exchanges tumbling 2% in overnight trading. Across the energy complex, crude oil futures have had the strongest response with a 6% drop, but NYMEX response has been muted with futures down only slightly. These stories remind us that despite the promising news on the vaccine front, until the pandemic is under control, a return to "normal" markets is likely still months away and staying abreast for buying opportunities is more important than ever.

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 12/21/2020)

ISO-NE Mass Hub \$49.29	MISO Indiana Hub \$25.44	NYISO Zone G \$46.43
PJM West Hub \$28.11	ERCOT North \$24.01	CAISO SP15 \$41.58

NYMEX NG	Close	Change
Jan-21	2.700	0.064
Feb-21	2.681	0.044
12 Month	2.764	0.034
Cal 22	2.648	0.012
Cal 23	2.527	0.022

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,726	3,848	3,442	3,483
Diff v. Current		-122	284	243
% Diff			8.3%	7.0%

