

**Early Morning Update**

The Jan21 natural gas contract is trading down \$0.06 at \$2.72. The Feb21 crude oil contract is up \$0.18 at \$47.20.

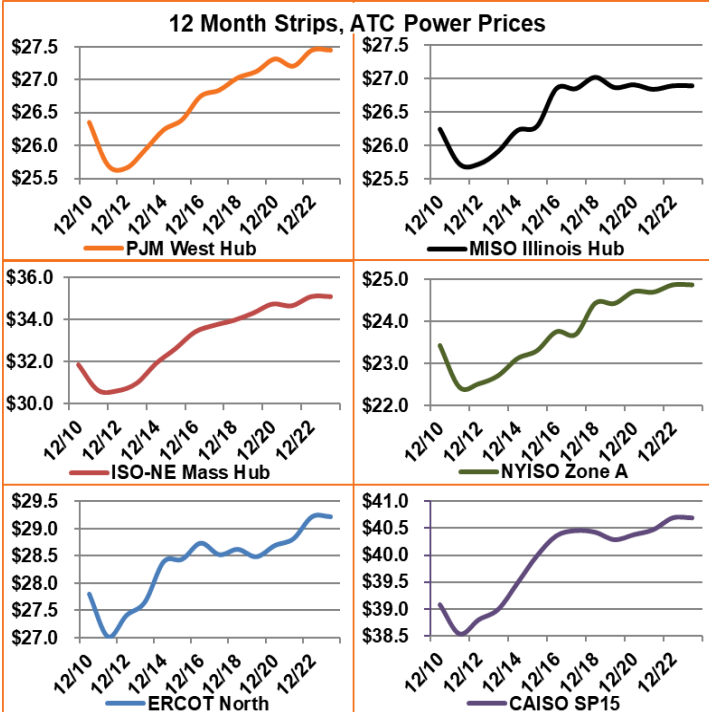
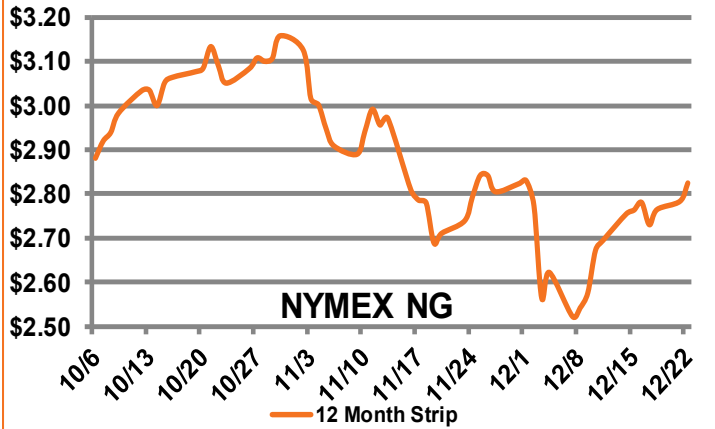
**Summary:** Yesterday's trading activity saw a continuation of upward price movement running three days strong. The prompt month contract for January 2021 rallied 2.8%, opening the day at \$2.705/MMBtu and closing at \$2.780/MMBtu, for a \$0.075/MMBtu gain. The February contract also gained six cents, and the 12-month strip gained a little more than four cents. Weather forecasts are showing a cold front coming into Chicago tomorrow and making its way into the Mid-Atlantic by the weekend, while other regions, such as the Northeast, are expecting some rather balmy conditions for the Christmas holiday. The result is a mixed bag for heating demand, which is lagging 1.6 Bcf/day versus December last year. Production of natural gas remains resilient, as estimates show yesterday and today breaking 91 Bcf/day. LNG exports have remained bullish, and industrial demand has been making a comeback so far this month. The U.S. Energy Information Administration's weekly storage report will be released today at noon, a day early because of the Christmas holiday, and is expected to show a withdrawal that is greater than the 5-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 12/23/2020)**

ISO-NE Mass Hub \$40.58	MISO Indiana Hub \$21.80	NYISO Zone G \$32.52	
PJM West Hub \$25.31	ERCOT North \$20.66	CAISO SP15 \$42.77	
NYMEX NG		Close	Change
Jan-21	2.780	0.075	
Feb-21	2.749	0.060	
12 Month	2.825	0.041	
Cal 22	2.666	0.007	
Cal 23	2.501	-0.011	

**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%

