

**Early Morning Update**

The Jan21 natural gas contract is trading down \$0.03 at \$2.58. The Feb21 crude oil contract is down \$0.32 at \$47.80.

**Summary:** Wow, what a day for natural gas yesterday! The market saw a huge 17-cent sell-off for the Jan '21 prompt month contract, closing out the day at \$2.608/MMBtu. That bearishness echoed throughout the Cal '21 strip, as it lost 12 cents, and Cal '22 also experienced a loss of four cents. The large losses fizzled out, though, as the futures strips beyond '22 all lost just a penny or less. It appears the lower-than-expected storage report was the impetus the market needed to prompt the sell-off. While the 152 Bcf withdrawal was the largest weekly pull from storage so far this season, market forecasts were much higher. Add to that a bearish weather outlook in the Northeast, with well-above-normal temperatures expected into the New Year, and you have the recipe for the perfect market sell-off.

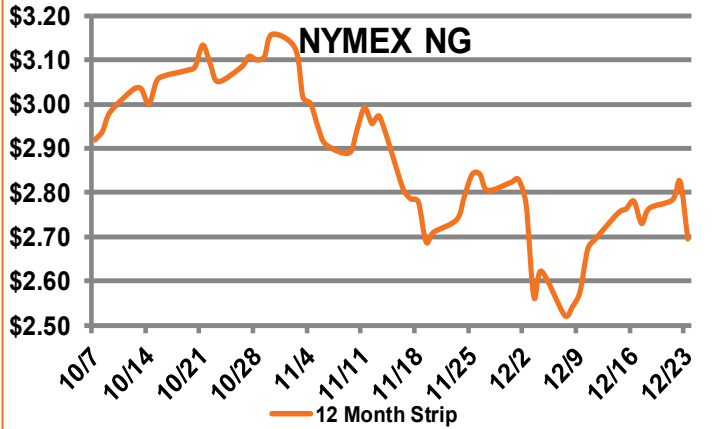
As a reminder, the Direct Energy Natural Gas Trigger Desk will be closed the remainder of the week starting today at 1:00 pm EST and reopen 8:30 am EST on Monday, Dec 28th, in observance of the Christmas holiday. Everyone at Direct Energy wishes you a very merry and safe Christmas!

**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 12/24/2020)**

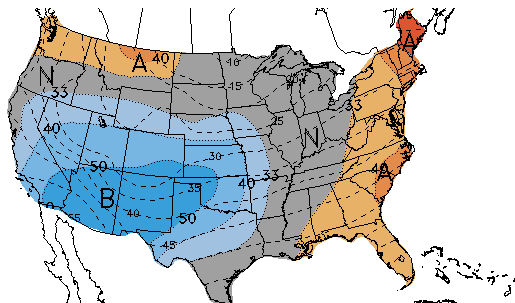
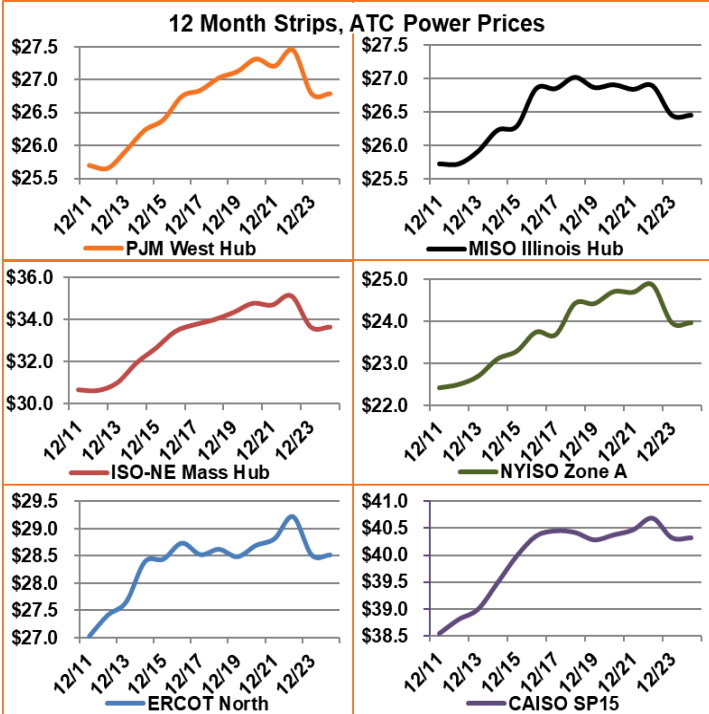
ISO-NE Mass Hub \$29.50	MISO Indiana Hub \$24.00	NYISO Zone G \$27.40
PJM West Hub \$21.34	ERCOT North \$23.78	CAISO SP15 \$42.76

NYMEX NG	Close	Change
Jan-21	2.608	-0.172
Feb-21	2.588	-0.161
12 Month	2.695	-0.129
Cal 22	2.618	-0.048
Cal 23	2.484	-0.017

**EIA Natural Gas Storage**

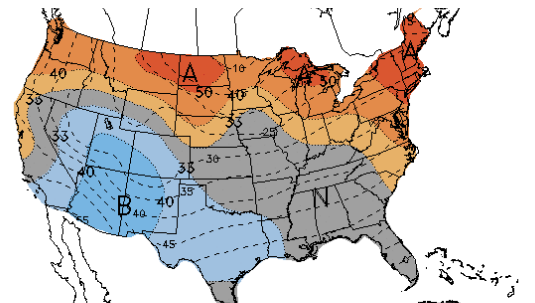
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,574	3,726	3,296	3,356
Diff v. Current		-152	278	218
% Diff			8.4%	6.5%



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 23 DEC 2020  
VALID DEC 29, 2020 - JAN 03, 2021

DASHED BLACK LINES ARE CLIMATOLOGY  
(DEG F) SHADED AREAS ARE FCST  
VALUES ABOVE (A) OR BELOW (B) NORMAL  
GRAY AREAS ARE NEAR-NORMAL

90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%



8-14 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 23 DEC 2020  
VALID DEC 31, 2020 - JAN 06, 2021

DASHED BLACK LINES ARE CLIMATOLOGY  
(DEG F) SHADED AREAS ARE FCST  
VALUES ABOVE (A) OR BELOW (B) NORMAL  
GRAY AREAS ARE NEAR-NORMAL

90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%