

Early Morning Update

The Dec20 natural gas contract is trading up \$0.03 at \$2.89. The Dec20 crude oil contract is up \$0.36 at \$40.65.

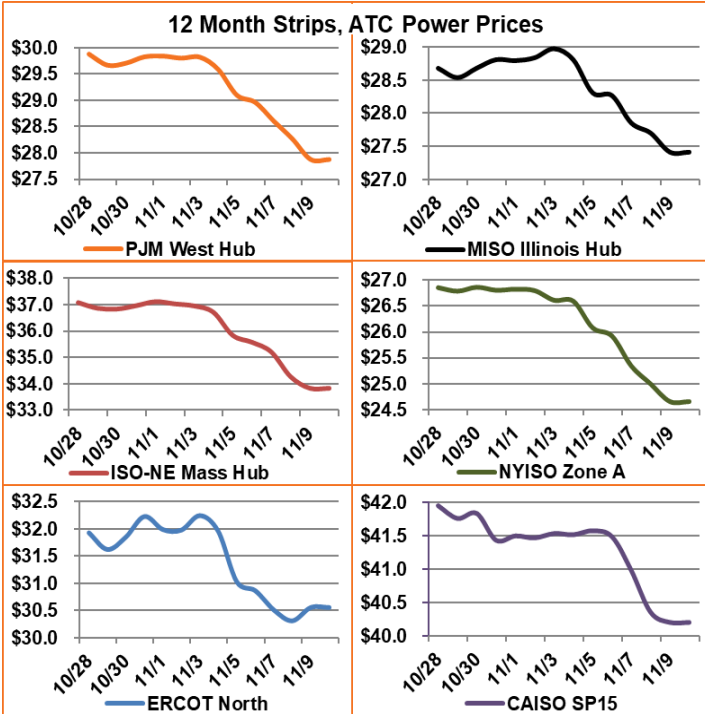
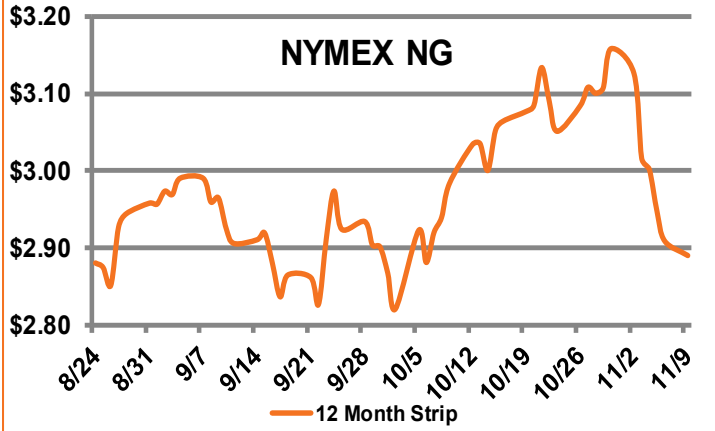
Summary: It's been another big week of news! Biden has been declared the President-Elect, the eastern half of the U.S. has had unseasonable warmth, Pfizer announced a 90% effective vaccine for COVID, and electric, gas, and oil prices have reflected the chaos. For the presidency, Biden's energy policy is going to be big on green transitions, but a more divided House and a Republican Senate will make the road to his agenda more difficult to obtain, at least for the next two years. This may simply be a slowing mechanism, not a total stopping force against renewable energies. His more controversial stance on natural gas is what concerns many Republicans and producers, as many believe his goal to be eliminating our reliance on natural gas. This is not true or simply not feasible within four years. The autumn warmth has also caused a sharp decline in the gas index markets, along with significant impacts for the 12-month strip and Cal '21. Lack of heating demand and a reduction in power burn have given energy buyers a wonderful opportunity right before the new year. We've seen in years prior that early winter temperatures could play a huge role in the next year of gas and energy pricing, so consider your positions and let us know if you're ready to buy.

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 11/10/2020)

ISO-NE Mass Hub \$16.85	MISO Indiana Hub \$29.16	NYISO Zone G \$13.36
PJM West Hub \$20.71	ERCOT North \$49.99	CAISO SP15 \$44.80
NYMEX NG		
	Close	Change
Dec-20	2.859	-0.029
Jan-21	2.999	-0.032
12 Month	2.890	-0.019
Cal 21	2.912	-0.018
Cal 22	2.749	-0.014

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,919	3,955	3,719	3,718
Diff v. Current		-36	200	201
% Diff			5.4%	5.4%

