

Early Morning Update

The Dec20 natural gas contract is trading down \$0.02 at \$2.76. The Jan21 crude oil contract is up \$0.59 at \$45.50.

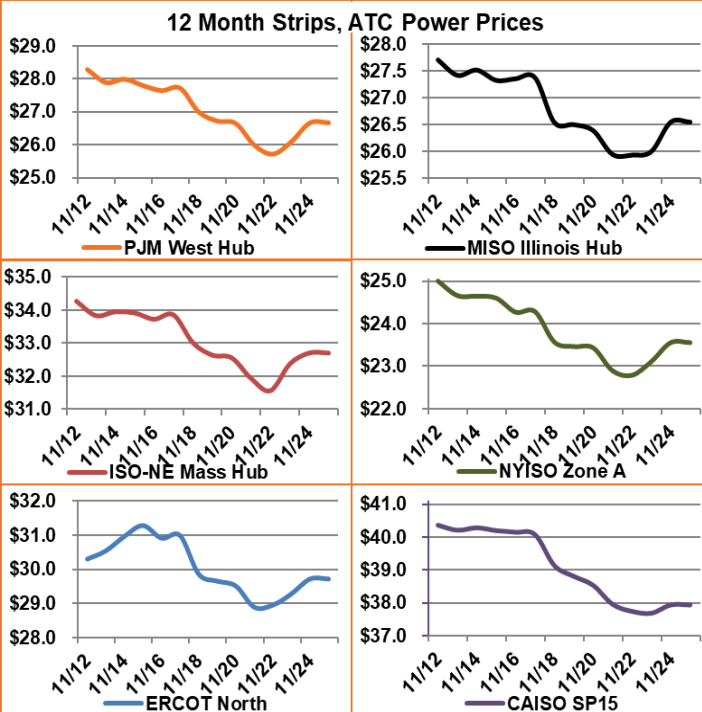
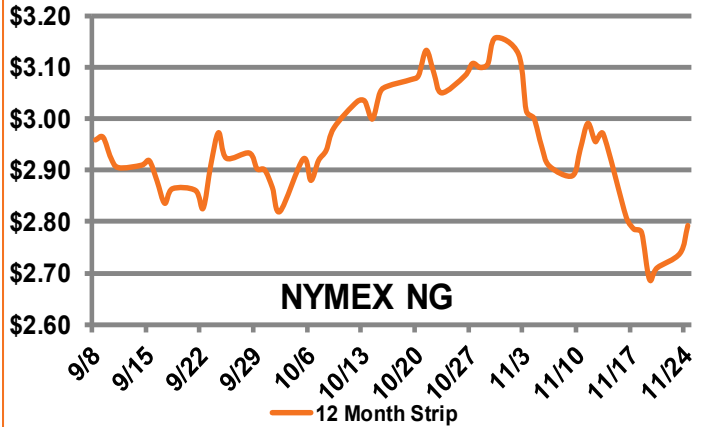
Summary: Despite natural gas production trending at a seven-month high of 91 Bcf/d for the past week and warmer-than-normal weather blanketing most of the country, the NYMEX prompt month climbed another 6.4 cents yesterday, settling at 2.775/MMBtu. As has been the case recently, the bullishness extended through the front of the NYMEX gas pricing curve, with little movement beyond Q1 of 2022. Jan '21 was the biggest mover, rising almost eight cents yesterday to \$2.90. Average and above-average temperatures are forecast to stick around through the second week of December, with some colder-than-normal temps popping up in the South in the 6-10 day outlook, but isolated to the Southeast through mid-December. The U.S. Energy Information Administration will release their weekly storage report today, a day early because of the holiday. With a wide range spanning a 47 Bcf withdrawal to a 33 Bcf injection, the consensus of market estimates is a 21 Bcf pull from storage inventories for the week to Nov 20. Due to the holiday, Direct Energy will not publish this report on Thursday or Friday this week. Direct Energy would like to wish everyone a safe and happy Thanksgiving!

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 11/25/2020)

ISO-NE Mass Hub \$29.96	MISO Indiana Hub \$24.04	NYISO Zone G \$29.30
PJM West Hub \$21.79	ERCOT North \$23.00	CAISO SP15 \$33.35
NYMEX NG		
	Close	Change
Dec-20	2.775	0.064
Jan-21	2.900	0.077
12 Month	2.793	0.054
Cal 21	2.815	0.053
Cal 22	2.692	0.019

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,958	3,927	3,665	3,727
Diff v. Current		31	293	231
% Diff			8.0%	6.2%

