

**Early Morning Update**

The Sep '21 natural gas contract is trading up \$0.08 at \$3.91. The Sep '21 crude oil contract is down \$1.19 at \$62.50.

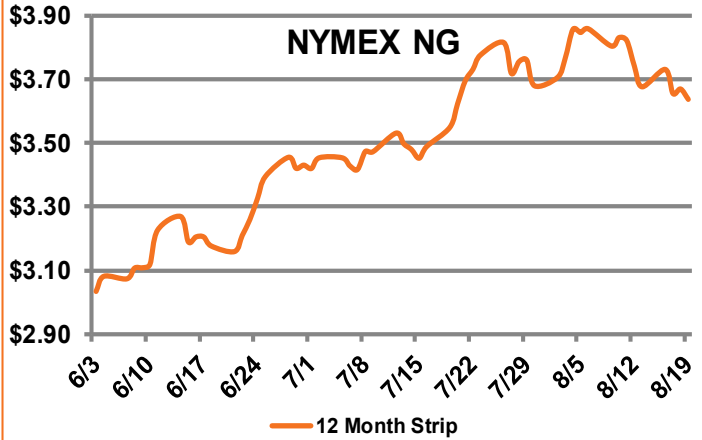
**Summary:** The downward trend at the front of the NYMEX natural gas pricing curve continued yesterday, following a bearish storage report from the U.S. Energy Information Administration. The prompt month slipped another two cents to settle at \$3.83/MMBtu, while Cals '22, '23, and '25 fell three, two, and one cent, respectively. Longer-term strips, Cals '25-'33, all moved up a penny. The EIA reported that natural gas storage stocks grew by 42 Bcf in the week to August 13, and inventories were bolstered further after the EIA reclassified 4 Bcf of base gas as working gas in the South Central nonsalt region. The 46 Bcf net change from the previous week far surpassed the 36 Bcf build that Bentek had projected in their Daily Storage Analytic Report, and was in line with the 45 Bcf addition seen last year for the same week, as well as the 42 Bcf five-year average. Total U.S. demand for natural gas is down 3.4 Bcf/d from yesterday, estimated at 91 Bcf/d today. Power burn (down 2.1 Bcf/d) and the res/comm sector (down 0.9 Bcf/d) were the biggest contributors to the day-over-day demand drop. Although production has been relatively stagnant at around 91 Bcf/d, demand is expected to drop another 3.0 Bcf/d this weekend, possibly contributing to more bearishness in the market.

**Bullish Factors**

- Post-pandemic demand growth
- Less-than-average storage injections
- High exports to Mexico

**Bearish Factors**

- Stable production
- Year-to-date power burn below 2020
- Average temps outside of the West

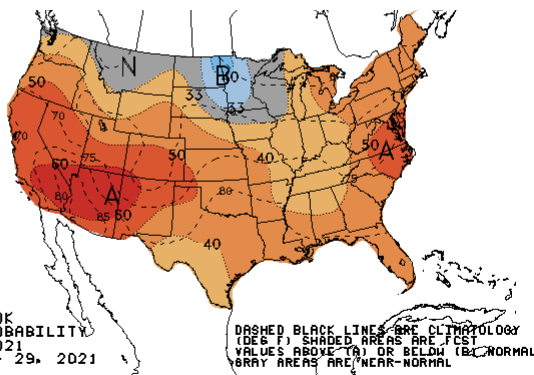
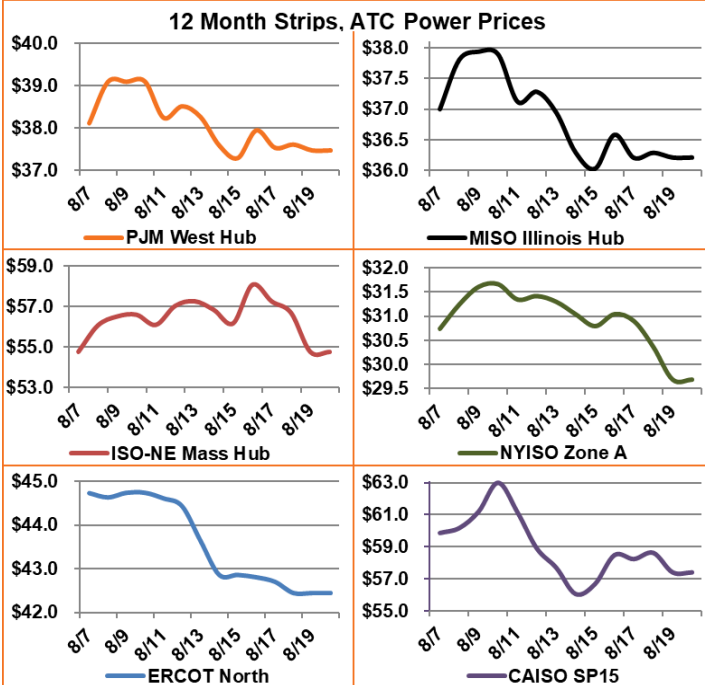


**Next Day On-Peak Power (traded for 8/20/2021)**

ISO-NE Mass Hub \$64.78	MISO Indiana Hub \$48.25	NYISO Zone G \$54.83
PJM West Hub \$45.00	ERCOT North \$40.00	CAISO SP15 \$43.40
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
Sep-21	3.830	-0.022
Oct-21	3.844	-0.022
12-Month	3.635	-0.032
Cal 22	3.446	-0.033
Cal 23	3.014	-0.023

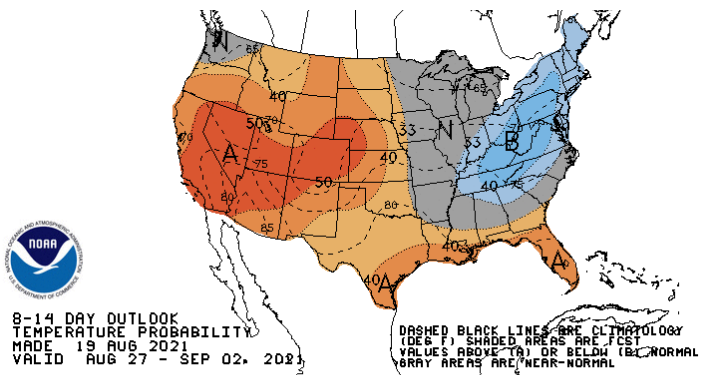
**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,822	2,776	3,369	2,996
Diff v. Current		46	-547	-174
% Diff			-16.2%	-5.8%



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 19 AUG 2021  
VALID AUG 25 - 29, 2021

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



8-14 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 19 AUG 2021  
VALID AUG 27 - SEP 02, 2021

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