

Early Morning Update

The Aug '21 natural gas contract is trading up \$0.05 at \$3.75. The Aug '21 crude oil contract is down \$0.05 at \$75.20.

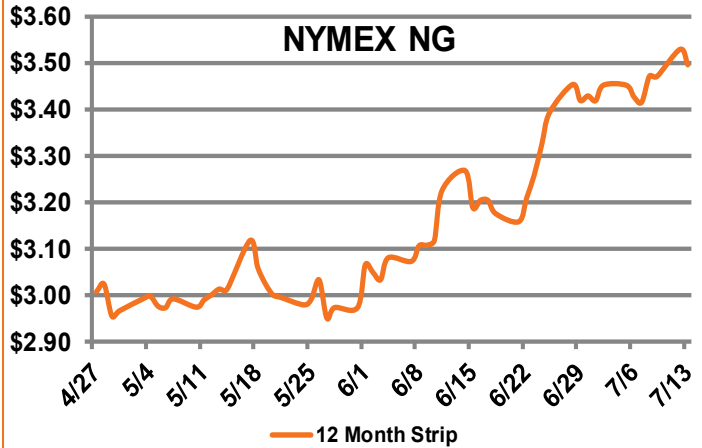
Summary: After reaching a 43-month high of \$3.749 on Monday, the NYMEX prompt month natural gas contract backed off 5.3 cents yesterday, settling at \$3.696/MMBtu for the day. Losses were felt through the curve during yesterday's session, with the largest movement in the front months. Despite yesterday's softening, overall U.S. natural gas demand (including exports) has outpaced supply increases throughout 2021. July 2021 natural gas demand has averaged an estimated 4.6 Bcf/d higher vs. July 2020, and supply is up an estimated 3.4 Bcf/d vs July 2020. Most of the demand increases are attributed to U.S. natural gas exports, via pipeline and LNG. With balance of 2021 and Winter 21/22 European and Asian market prices more than covering shipping spreads, the likelihood of U.S. natural gas exports backing off in the coming months is doubtful. On the supply side, natural gas production has seemingly been in a range of 90-92 Bcf/d all year, minus a handful of market events that dropped production lower than 90 Bcf/d. So far, producers have kept to their word of not oversupplying the market. However, with U.S. natural gas storage already at a deficit to the 5-year average benchmark mid-year, there could be potential for continued price volatility in the energy markets if fundamentals don't shift.

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
- Cooler temps in the South



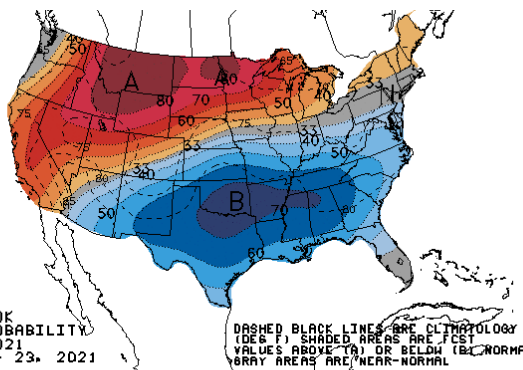
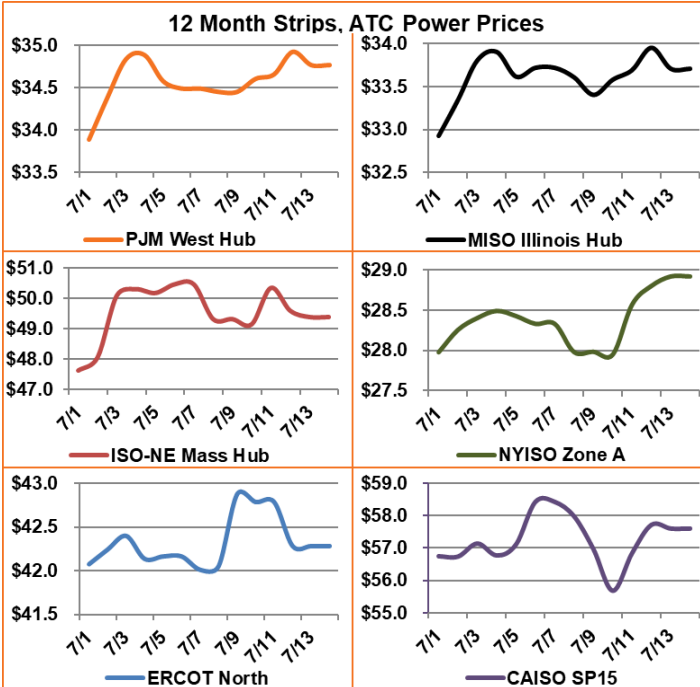
Next Day On-Peak Power (traded for 7/14/2021)

ISO-NE Mass Hub \$42.32	MISO Indiana Hub \$48.50	NYISO Zone G \$45.00
PJM West Hub \$46.54	ERCOT North \$32.58	CAISO SP15 \$77.28

NYMEX NG	Close	Change
Jul-21	3.696	-0.053
Aug-21	3.682	-0.050
12-Month	3.496	-0.033
Cal 22	3.216	-0.022
Cal 23	2.818	-0.005

EIA Natural Gas Storage

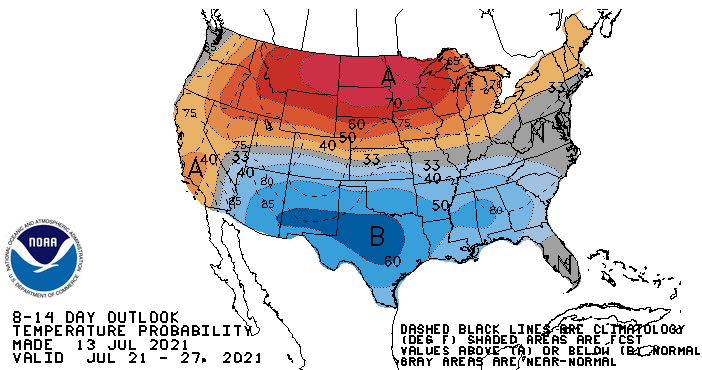
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,574	2,558	3,125	2,764
Diff v. Current		16	-551	-190
% Diff			-17.6%	-6.9%



8-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 13 JUL 2021
VALID JUL 19 - 23, 2021

DASHED BLACK LINES ARE CLIMATOLOGY
(DEG F) SHADED AREAS ARE PERCENT
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 13 JUL 2021
VALID JUL 21 - 27, 2021

DASHED BLACK LINES ARE CLIMATOLOGY
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VALUES ABOVE (A) OR BELOW (B) NORMAL
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90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%