

Early Morning Update

The Aug '21 natural gas contract is trading up \$0.03 at \$3.91. The Aug '21 crude oil contract is up \$1.20 at \$68.40.

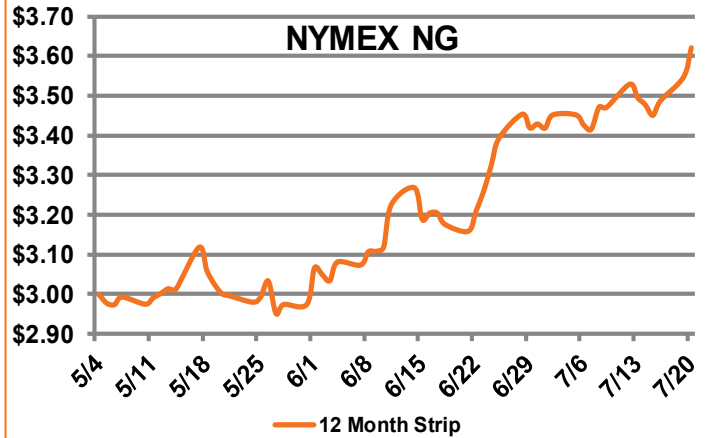
Summary: Yesterday, the NYMEX natural gas futures price for August moved up 9.7 cents to settle at \$3.876/MMBtu. With bullish fundamentals holding strong this summer, a \$4 prompt month price doesn't seem too far out of reach now. Temperatures have moderated for the majority of the country. However, forecasts have once again started to warm for the East down into Texas toward the end of this month into August. OPEC's decision to increase production dampened crude oil pricing, once again creating concern for domestic natural gas production in an already tight market. U.S. dry production dropped below 90 Bcf/d today, and any further dip in supply could lead to the widening of the deficit to the five-year average benchmark in an already bullish storage outlook. Concerns for end-of-season storage levels remain, and winter pricing continues to reflect that concern, as Jan '21 NYMEX pricing is currently over the \$4 threshold. LNG exports dipped slightly to 9.5 Bcf/d, but exports to Mexico are strong at 6.7 Bcf/d. The bearish news of the larger-than-expected storage injection reported last week seems to have been very short-lived, but slightly larger injections due to the mild temps over the next couple of weeks are possible.

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 7/21/2021)

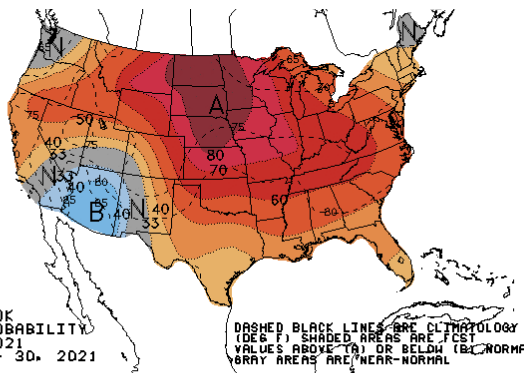
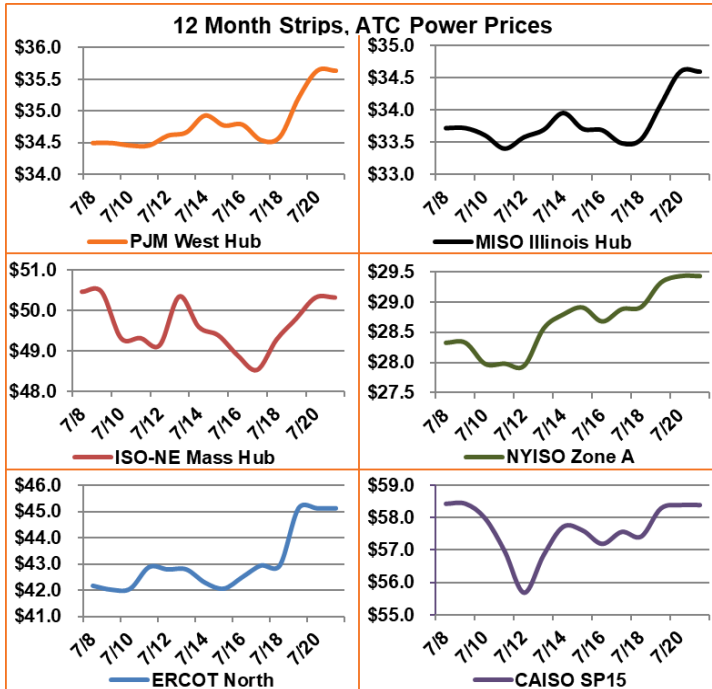
ISO-NE Mass Hub \$43.33	MISO Indiana Hub \$45.00	NYISO Zone G \$45.07
PJM West Hub \$44.06	ERCOT North \$40.53	CAISO SP15 \$78.28

NYMEX NG

NYMEX NG	Close	Change
Aug-21	3.876	0.097
Sep-21	3.852	0.098
12-Month	3.621	0.074
Cal 22	3.302	0.052
Cal 23	2.838	0.018

EIA Natural Gas Storage

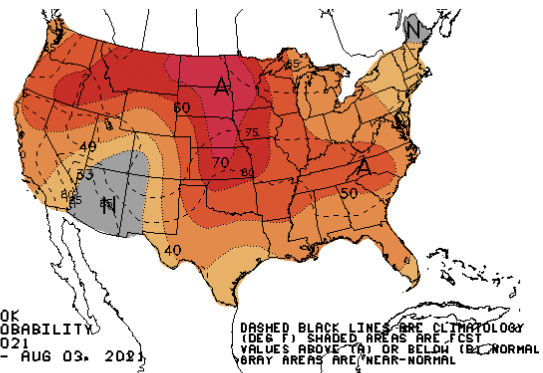
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,629	2,574	3,172	2,818
Diff v. Current		55	-543	-189
% Diff			-17.1%	-6.7%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 20 JUL 2021
VALID JUL 26 - 30, 2021

DASHED BLACK LINES ARE CLIMATOLOGY
(DES F) SHADED AREAS ARE FCST
VALUES ABOVE (A) OR BELOW (B) NORMAL
(B)RY 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 20 JUL 2021
VALID JUL 28 - AUG 03, 2021

DASHED BLACK LINES ARE CLIMATOLOGY
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