

Early Morning Update

The Aug '21 natural gas contract is trading down \$0.03 at \$3.93. The Sep '21 crude oil contract is up \$0.15 at \$70.45.

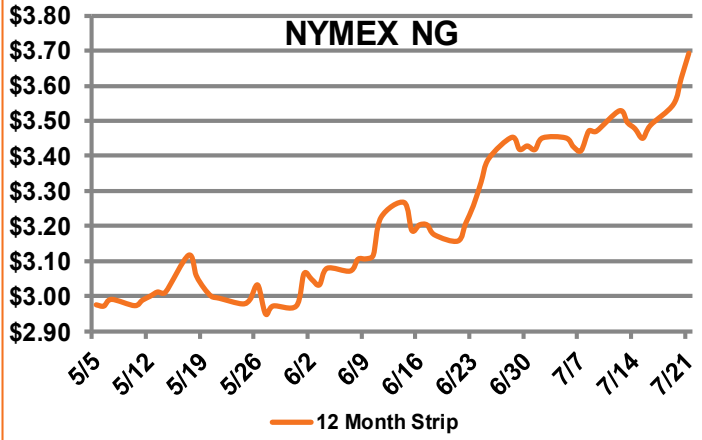
Summary: The Aug '21 natural gas contract is quickly approaching the \$4 mark as it saw another day of gains yesterday, settling up eight cents at \$3.959/MMBu. The upward movement trickled out to the 12-month strip, which gained seven cents, as well as Cal '22, which bumped up a nickel day-over-day. As the market continues to tighten and gas prices rise, we have yet to see producers react to the higher natural gas prices. It appears that producers are remaining disciplined and holding tight to capital expenditure cuts, despite the steadily rising gas prices. The market seems to be in limbo, teetering at these new higher levels until one of the fundamentals shift enough to cause a change. One fundamental that's really created price strength, particularly for this winter, is natural gas storage. The deficits to the 5-year average and to 2020 continue to grow since injections into storage have been steadily trailing historical levels. The lackluster injections are largely driven by tightening supply levels and increasing demand. This week, market participants are expecting to see an injection in the ballpark of 49 Bcf to be reported by the U.S. Energy Information Administration for the week to July 16. If this actualizes, it would actually be higher than the 5-year average by 13 Bcf.

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



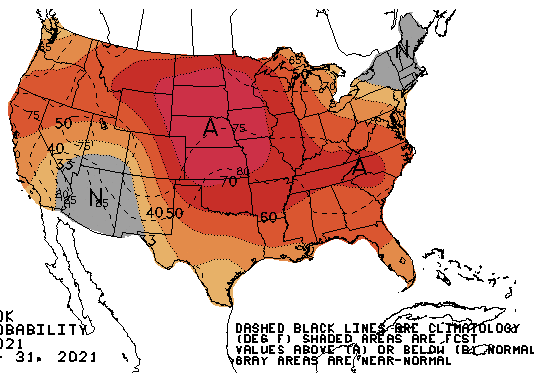
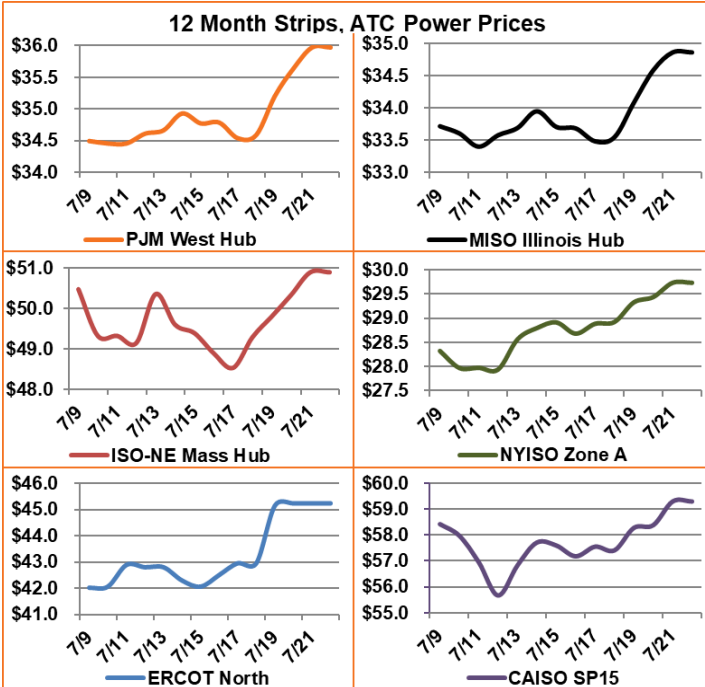
Next Day On-Peak Power (traded for 7/22/2021)

ISO-NE Mass Hub \$36.18	MISO Indiana Hub \$42.50	NYISO Zone G \$37.19
PJM West Hub \$38.61	ERCOT North \$41.00	CAISO SP15 \$88.98

NYMEX NG	Close	Change
Aug-21	3.959	0.083
Sep-21	3.938	0.086
12-Month	3.693	0.072
Cal 22	3.359	0.057
Cal 23	2.866	0.028

EIA Natural Gas Storage

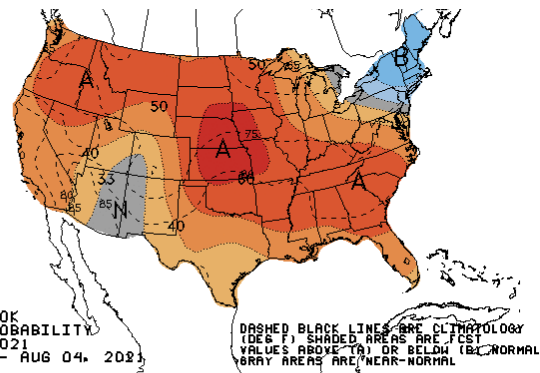
EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,629	2,574	3,172	2,818
Diff v. Current		55	-543	-189
% Diff			-17.1%	-6.7%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 21 JUL 2021
VALID JUL 27 - 31, 2021

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F). SHADED AREAS ARE PERCENT VALUES ABOVE (+) OR BELOW (-) 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 21 JUL 2021
VALID JUL 29 - AUG 04, 2021

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F). SHADED AREAS ARE PERCENT VALUES ABOVE (+) OR BELOW (-) NORMAL. GRAY AREAS ARE NEAR-NORMAL.

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