

**Early Morning Update**

The Jul '21 natural gas contract is trading up \$0.11 at \$3.26. The Jul '21 crude oil contract is down \$0.05 at \$70.24.

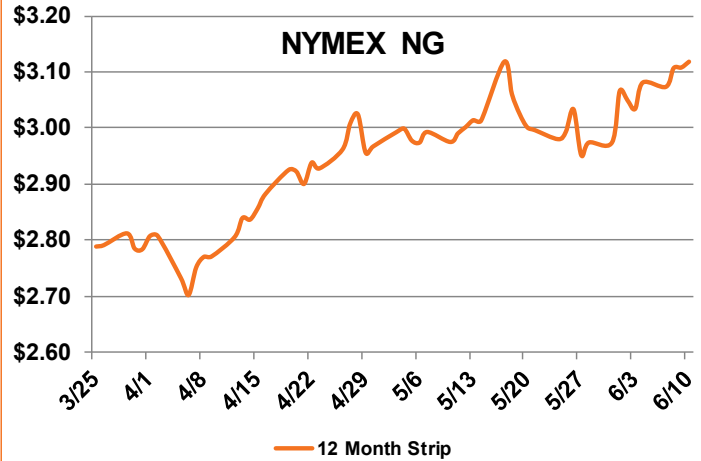
**Summary:** Despite an above average injection reported by the EIA yesterday, prices continued to move upward. Before the report, prices for the NYMEX July contract were trading at approximately \$0.05/MMBTU above open but reduced down to a \$0.02/MMBTU increase upon settle yesterday. Now we see continued natural gas demand increases as temperatures rise to record levels in the western half of the American continent. This heat has extended down into Mexico, creating a seasonal load that has created new record highs yesterday. Cross-border flows jumped to 7.2Bcf/d yesterday, breaking the 7.0Bcf/d level for the first time in history. A forecast for a population-weighted temperature calls for a decrease to normal over the next two weeks. However, July and August typically call for an overall warmer climate than early June, and could still create higher demand. Across all typically measured fundamental factors, there is little to indicate a bearish movement for near term natural gas contracts. The entire NYMEX Henry Hub market has continued an overall upward trend, forcing most energy market's prices up as well. The energy markets heavily tied to natural gas for power burn, such as many zones in PJM, have seen similar upward movements in the forwards but more energy demand also brings higher day ahead prices.

**Bullish Factors**

- Near-record LNG exports
- High exports to Mexico
- Storage deficits

**Bearish Factors**

- Coronavirus impacts on demand
- Strong production
- Milder weather



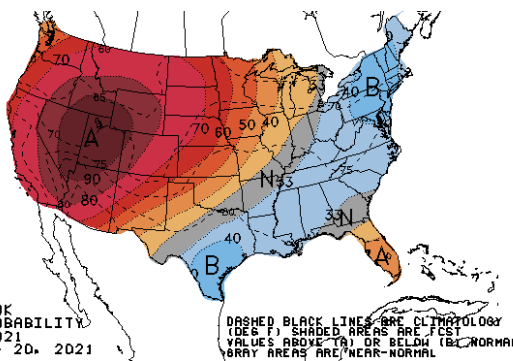
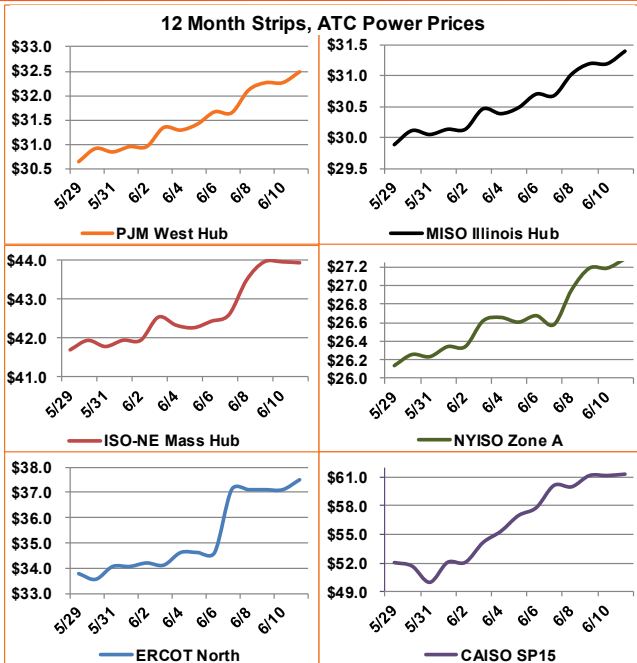
**Next Day On-Peak Power (traded for 6/11/2021)**

ISO-NE Mass Hub \$32.44	MISO Indiana Hub \$49.80	NYISO Zone G \$31.00
PJM West Hub \$32.63	ERCOT North \$31.29	CAISO SP15 \$26.33

NYMEX NG	Close	Change
Jul-21	3.149	0.020
Aug-21	3.166	0.022
12-Month	3.118	0.010
Cal 22	2.922	-0.001
Cal 23	2.710	-0.003

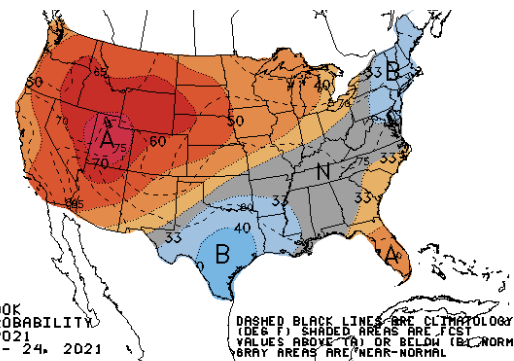
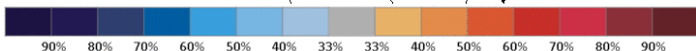
**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,411	2,313	2,794	2,466
Diff v. Current		98	-383	-55
% Diff			-13.7%	-2.2%



6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 10 JUN 2021  
VALID JUN 16 - 20, 2021

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



8-14 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 10 JUN 2021  
VALID JUN 18 - 24, 2021

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

