

Early Morning Update

The Jul '21 natural gas contract is trading down \$0.01 at \$3.34. The Jul '21 crude oil contract is up \$0.72 at \$71.60.

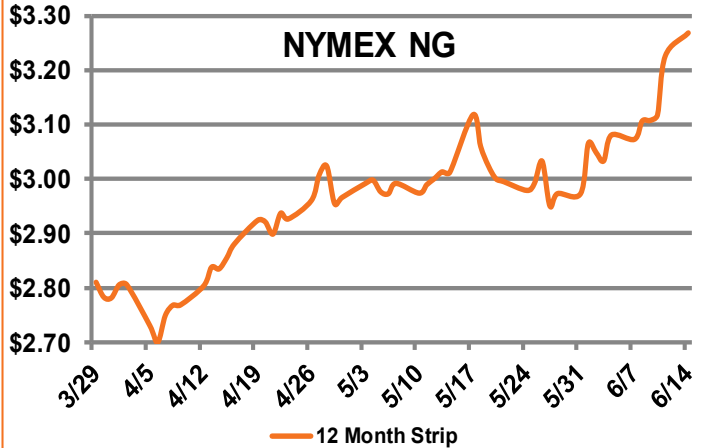
Summary: Prices have continued their upwards trajectory, bringing the NYMEX Henry Hub prompt month up to \$3.352/MMBtu after moving up \$0.056/MMBtu yesterday. This upward movement has gone a full week of increasing settle prices, with last week's price starting at \$3.070/MMBtu. A significant movement, to say the least, is being primarily attributed to short term and summer weather outlooks and how demand for natural gas has been impacted by a return to "normal" post COVID-19 lockdown. Further, LNG exports and natural gas exports to Mexico have been far above historical levels. Just last week, record levels for Mexican exports were achieved at 7.2Bcf/d. Last year, the level ranged between 5.2 and 5.4 Bcf/d. Mexican demand is being driven by power burn demand for cooling, similar to Texas and Californian markets, and increasing domestic demand for natural gas. In these U.S. markets, temperatures have been getting well above normal, creating high demand conditions. As a result, ERCOT had requested that Texans reduce their energy usage, since the renewable generation stack was low as a result of below-expected wind energy output.

Bullish Factors

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

Bearish Factors

- Coronavirus impacts on demand
- Strong production
- Milder weather



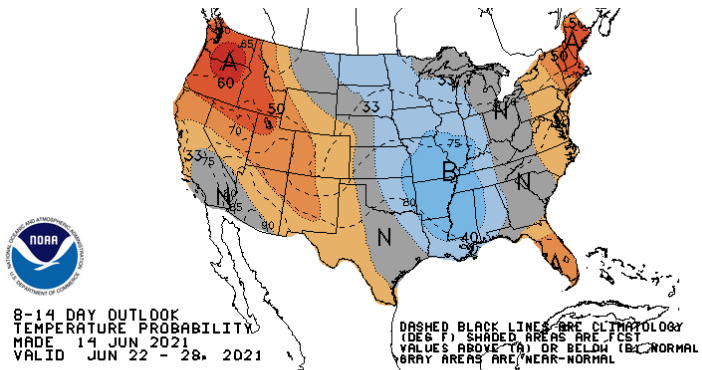
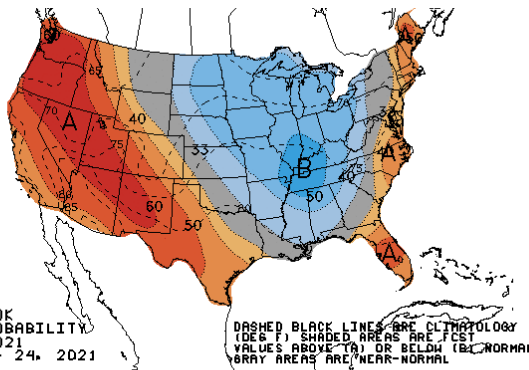
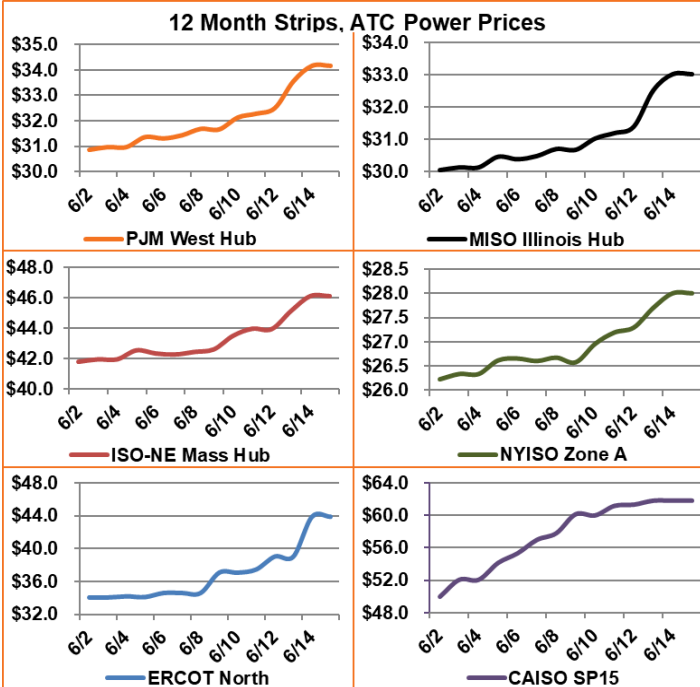
Next Day On-Peak Power (traded for 6/15/2021)

ISO-NE Mass Hub \$32.71	MISO Indiana Hub \$37.50	NYISO Zone G \$32.44
PJM West Hub \$30.14	ERCOT North \$406.76	CAISO SP15 \$189.25

NYMEX NG	Close	Change
Jul-21	3.352	0.056
Aug-21	3.367	0.056
12-Month	3.268	0.043
Cal 22	3.010	0.027
Cal 23	2.729	0.013

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 14 JUN 2021
VALID JUN 20 - 24, 2021

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



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 14 JUN 2021
VALID JUN 22 - 28, 2021

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

