

Early Morning Update

The Jul '21 natural gas contract is trading down \$0.06 at \$3.19. The Aug '21 crude oil contract is down \$0.48 at \$72.60.

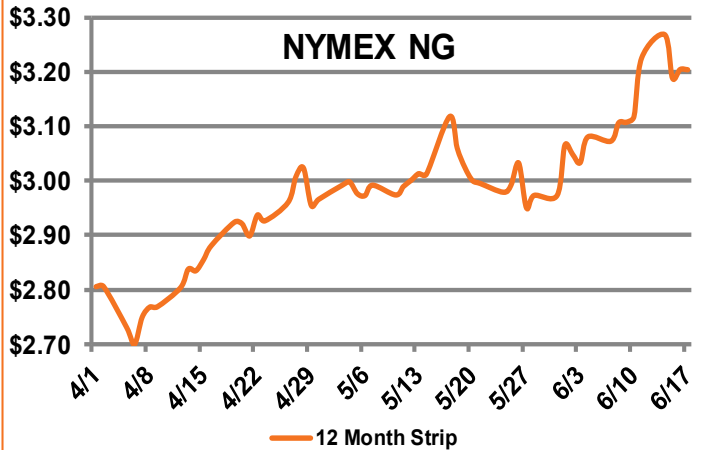
Summary: Weather continues to bring very hot temperatures to the western U.S., with some regions hitting triple digits over the last week. Thankfully, other major population centers in the eastern half of the U.S. have more normal outlooks, and actually have forecasts for a slight cooldown during the middle of next week. However, demand has already shown upward impacts, while production has not moved much from the 90 Bcf/d average. As a result of the early heat for the summer, yesterday's EIA storage report came in at a mere 16 Bcf injection in the week till June 11th. Compared to the 73 Bcf market estimate, this is much lower, but primarily as a result of a reclassified 51 Bcf, which was changed from working gas stock to base gas. Otherwise, the injection would have been a more palatable, but still small, 67 Bcf injection. This bullish news surprisingly had very little impact on the NYMEX Henry Hub natural gas prices, which settled nearly flat to their open. Current storage places U.S. stocks at a 453 Bcf deficit to last year, and 126 Bcf below the 5-year average. Compiled with the low production rates, high exports, and high demand, the natural gas market seems to have a continued bullish sentiment, impacting prices well through Q1 of 2022.

Bullish Factors

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

Bearish Factors

- Coronavirus impacts on demand
- Strong production
- Milder weather



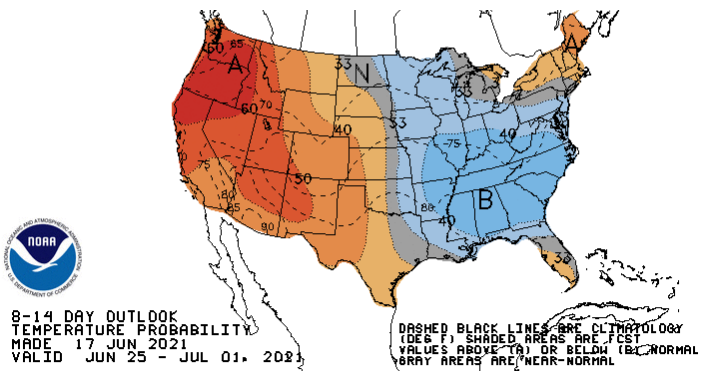
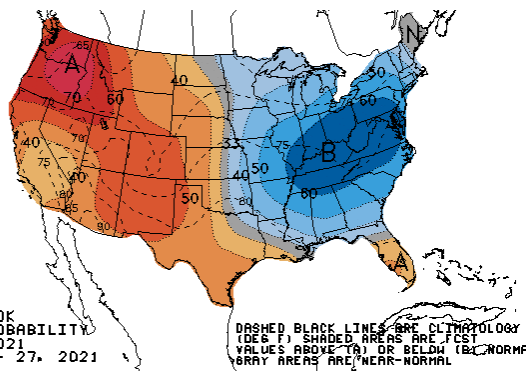
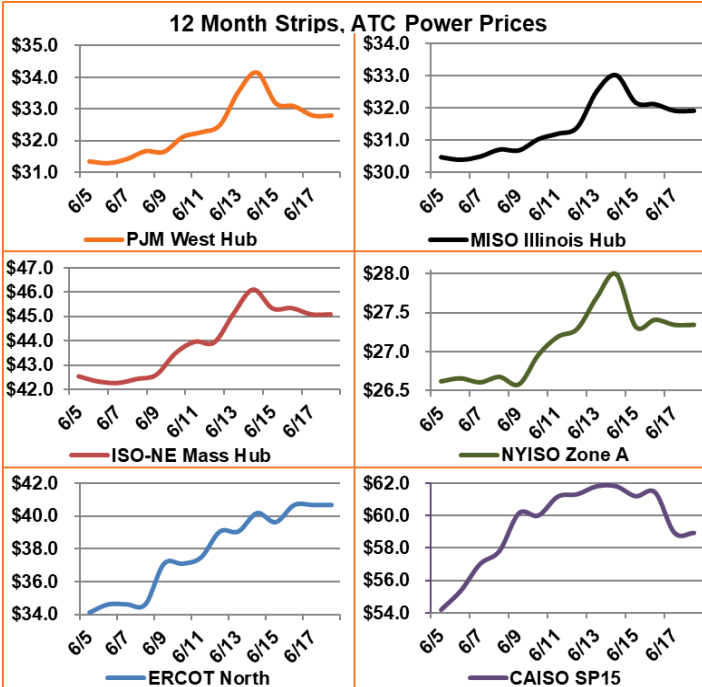
Next Day On-Peak Power (traded for 6/18/2021)

ISO-NE Mass Hub \$32.94	MISO Indiana Hub \$44.29	NYISO Zone G \$29.76
PJM West Hub \$31.90	ERCOT North \$120.53	CAISO SP15 \$83.40

NYMEX NG	Close	Change
Jul-21	3.253	0.002
Aug-21	3.275	0.004
12-Month	3.204	0.000
Cal 22	2.998	0.003
Cal 23	2.731	0.009

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 17 JUN 2021
VALID JUN 23 - 27, 2021

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



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 17 JUN 2021
VALID JUN 25 - JUL 01, 2021

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F) SHADED AREAS ARE FCST 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%

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