

Early Morning Update

The Jul '21 natural gas contract is trading up \$0.07 at \$3.26. The Jul '21 crude oil contract is down \$0.41 at \$73.25.

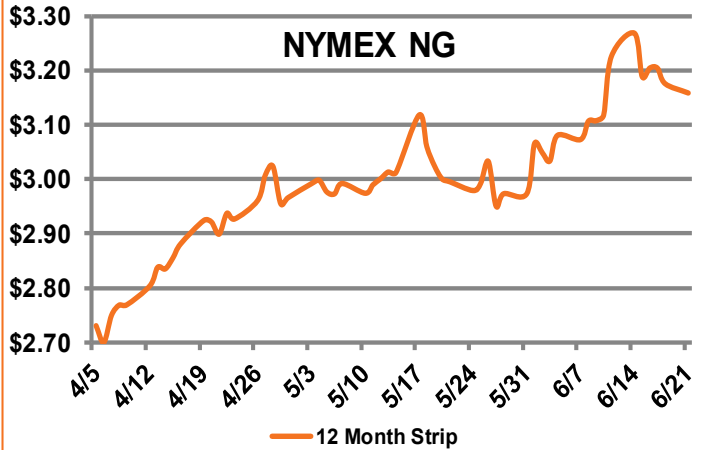
Summary: The market has seen a bit of a decrease in Henry Hub natural gas prices as temperatures cool down from their extreme highs out West. The demand sectors for power burn and Res/Comm have more or less offset one another, while industrial demand increased and was not counterbalanced. As a result, total U.S. demand increased by 0.8 Bcf/d, but production has, thankfully, picked up after maintenance season has all but finished up. To this end, production levels have hit closer to the 92 Bcf/d level, coming in 2.0 Bcf/d higher than the last few months. LNG exports remain high, sticking above the 10 Bcf/d level, while Mexican exports have hit record levels at and above 7.0 Bcf/d due to power burn demand during their own heat wave. Unfortunately, market speculators still hold many more long positions compared to shorts. While these market participants do not define the market, this does demonstrate the market sentiment that we have seen for the month thus far.

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 6/22/2021)

ISO-NE Mass Hub \$36.07	MISO Indiana Hub \$27.81	NYISO Zone G \$34.40
PJM West Hub \$28.01	ERCOT North \$32.25	CAISO SP15 \$50.87

NYMEX NG	Close	Change
Jul-21	3.191	-0.024
Aug-21	3.215	-0.021
12-Month	3.159	-0.017
Cal 22	2.972	-0.012
Cal 23	2.722	-0.004

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,427	2,411	2,880	2,553
Diff v. Current		16	-453	-126
% Diff			-15.7%	-4.9%

