

Early Morning Update

The Jul '21 natural gas contract is trading down \$0.01 at \$3.32. The Aug '21 crude oil contract is down \$0.78 at \$72.30.

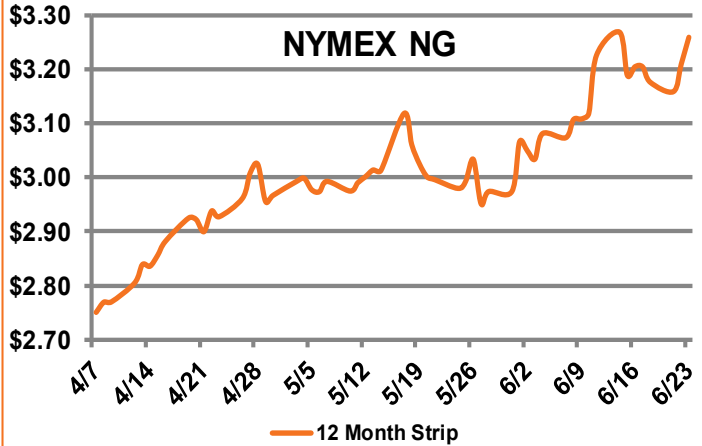
Summary: This week has brought some relief in demand for natural gas, with the majority of the eastern U.S. running at slightly cooler than normal to normal temperatures. However, the market is expecting demand to increase to ~91 Bcf/d by Monday, with many LNG facilities coming back from maintenance, which is likely why we saw an increase in near-term natural gas prices. Yesterday, the Jul '21 prompt month gained seven cents, settling at \$3.333/MMBtu. The rolling 12-month strip also gained a nickel, and Cal '22 crept up a little over two cents. Beyond that, the outer years remained flat day-over-day. The ebb and flow of near-term gas continues as demand ramps up, but production is struggling to move in lockstep. The U.S. Energy Information Administration will be releasing their weekly storage report later on today, where market participants are expecting an injection in the ballpark of 61 Bcf/d to be reported for the week to June 18. Last week saw a large reclassification in the storage number, which resulted in a very small 16 Bcf injection when all was said and done. If this week's injection actualizes near estimates, it would trail the 5-year average by roughly 20 Bcf.

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 6/24/2021)

ISO-NE Mass Hub \$29.75	MISO Indiana Hub \$35.98	NYISO Zone G \$28.64
PJM West Hub \$32.94	ERCOT North \$34.24	CAISO SP15 \$38.95

NYMEX NG	Close	Change
Jul-21	3.333	0.075
Aug-21	3.352	0.075
12-Month	3.259	0.050
Cal 22	3.032	0.024
Cal 23	2.739	0.002

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%

