

Early Morning Update

The Jul '21 natural gas contract is trading up \$0.02 at \$3.15. The Jul '21 crude oil contract is up \$0.35 at \$70.40.

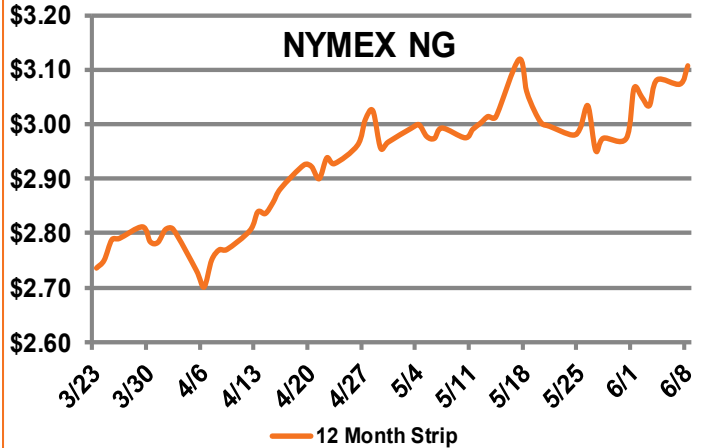
Summary: Another heat wave has arrived this week, with today looking to be the hottest for the East over the next two weeks. Warm and dry conditions are forecast for Texas heading into the weekend, and then appears to be shifting to the cooler side with tropical risks toward the end of the week. The probability of serious impacts from the building tropical storm remains low, with models showing the storm to be mostly focused in the western Gulf of Mexico late next week. The warmer temps continue to provide upward pressure to pricing, pushing the July natural gas futures price up another 5.8 cents on the day to settle at \$3.128/MMBtu. Near-term prices have been holding steady above the \$3.00 mark, as the bulls continue to dominate. U.S. dry production remains range-bound between 90-91 Bcf/d, and, with the heat and increasing demand, is looking to hamper the next few storage injections. The expectations for the weekly storage build are around 95 Bcf for the week ending June 4th. The would be slightly higher than the 92 Bcf 5-year average, closing the deficit slightly, but concerns remain for end-of-season levels if supply does not see an uptick. Yesterday, TX Governor Abbott signed two bills to create power grid weatherization systems in ERCOT for emergency's like the one experienced from Storm Uri in February.

Bullish Factors

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

Bearish Factors

- Coronavirus impacts on demand
- Strong production
- Milder weather



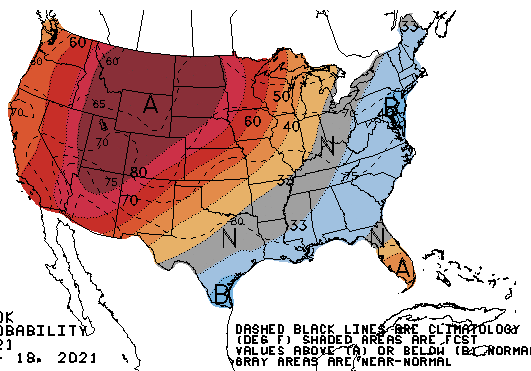
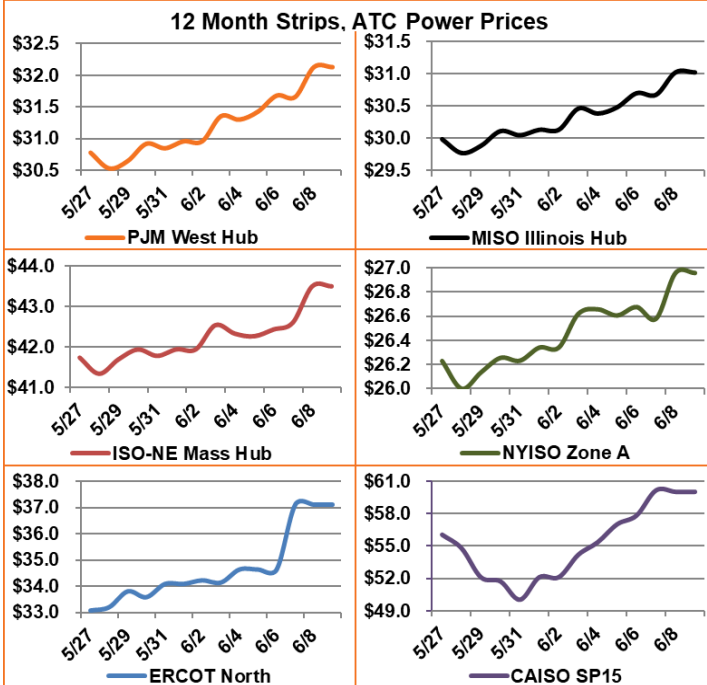
Next Day On-Peak Power (traded for 6/9/2021)

ISO-NE Mass Hub \$44.26	MISO Indiana Hub \$44.50	NYISO Zone G \$44.73
PJM West Hub \$39.67	ERCOT North \$36.00	CAISO SP15 \$30.05

NYMEX NG	Close	Change
Jul-21	3.128	0.058
Aug-21	3.140	0.051
12-Month	3.106	0.033
Cal 22	2.930	0.008
Cal 23	2.723	0.005

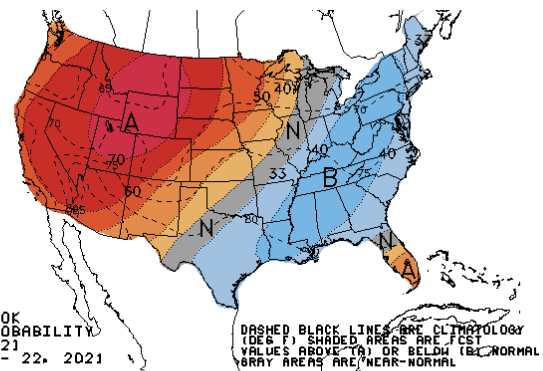
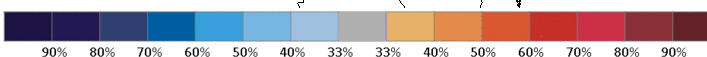
EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,313	2,215	2,699	2,374
Diff v. Current		98	-386	-61
% Diff			-14.3%	-2.6%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 8 JUN 2021
VALID JUN 14 - 18, 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 8 JUN 2021
VALID JUN 16 - 22, 2021

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

