

Early Morning Update

The Aug '21 natural gas contract is trading up \$0.14 at \$3.73. The Aug '21 crude oil contract is up \$0.36 at \$73.27.

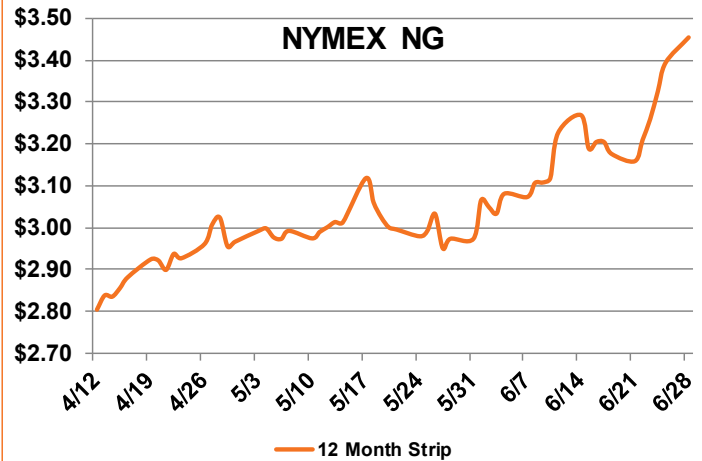
Summary: Prices for the NYMEX Henry Hub natural gas saw yet another bullish day, settling the July contract at an astoundingly high \$3.617/MMBtu, a settle price not seen since January of 2019. In comparison, the July contract for 2020 had settled at the lowest level for the whole year at only \$1.495/MMBtu. Coupling with the previous prompt month, the August contract has moved up as well, but settled at \$3.593/MMBtu. The main reasoning behind the current movement is short term weather impacts pushing demand up on both natural gas usage and electricity usage, creating a stressed market in the short term, while maintaining the trends for storage fears into the upcoming winter. Even this summer weather has moved pricing up for calendar strip up about \$0.04/MMBtu just yesterday, bringing prices up to \$3.15/MMBtu for the year. Market analysts can point out the impact of the winter concerns, however, as the January-March contracts moved an average of \$0.057/MMBtu. What is most concerning to most buyers in the market today, is the fact that fundamentals are continuing their trends, while weather is getting hot, and exports are heavily incentivized over domestic storage.

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 6/29/2021)

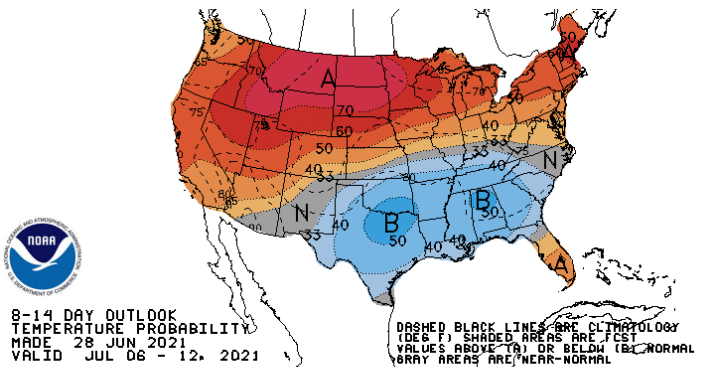
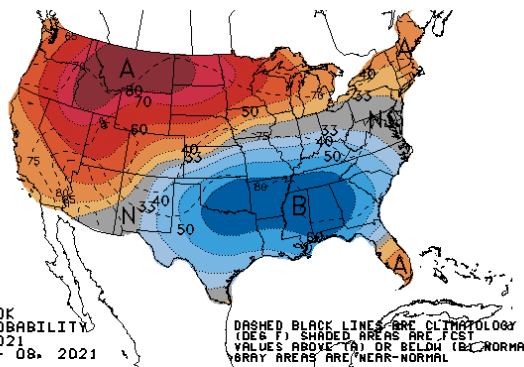
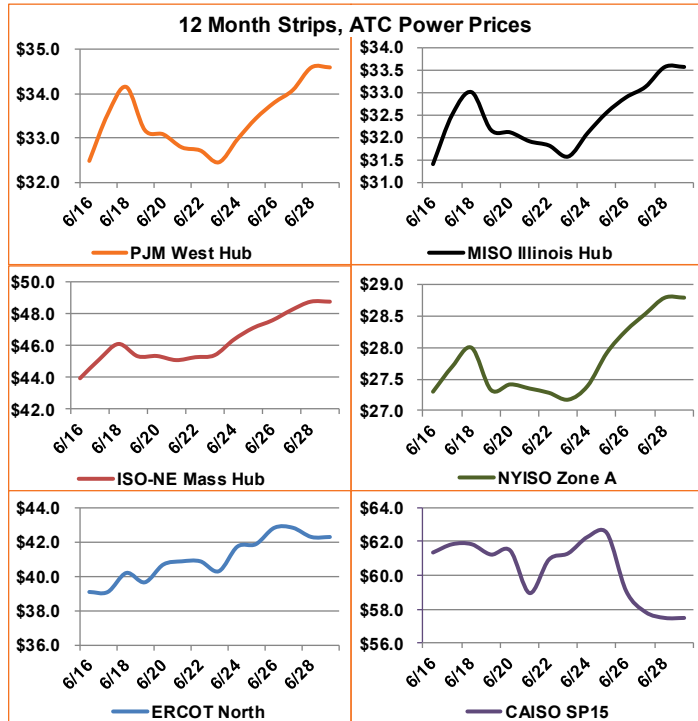
ISO-NE Mass Hub \$81.29	MISO Indiana Hub \$55.00	NYISO Zone G \$68.83
PJM West Hub \$65.05	ERCOT North \$34.02	CAISO SP15 \$90.14

NYMEX NG

	Close	Change
Jul-21	3.496	0.078
Aug-21	3.520	0.083
12-Month	3.393	0.068
Cal 22	3.119	0.043
Cal 23	2.770	0.016

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,482	2,427	2,995	2,636
Diff v. Current		55	-513	-154
% Diff			-17.1%	-5.8%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 28 JUN 2021
VALID JUL 04 - 08, 2021

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



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 28 JUN 2021
VALID JUL 06 - 12, 2021

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

