

Early Morning Update

The Sep '21 natural gas contract is trading down \$0.07 at \$3.78. The Sep '21 crude oil contract is down \$2.06 at \$63.40.

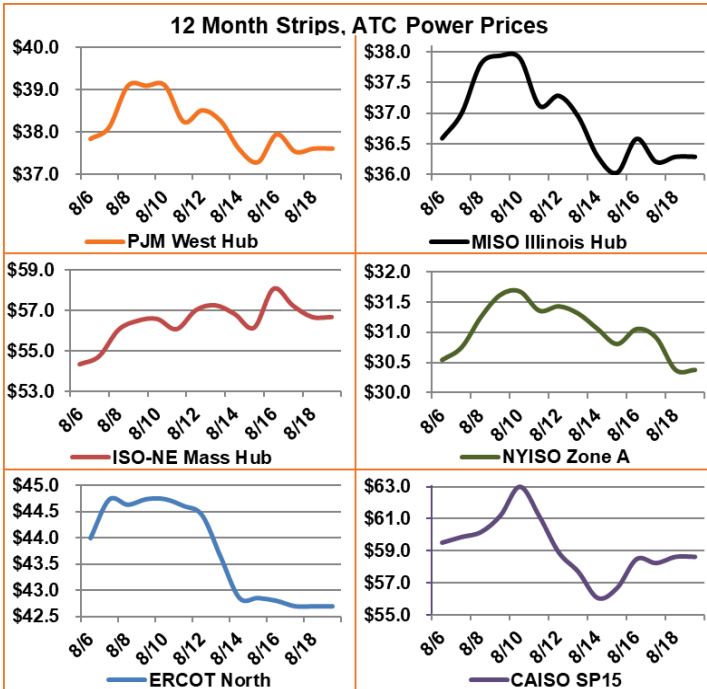
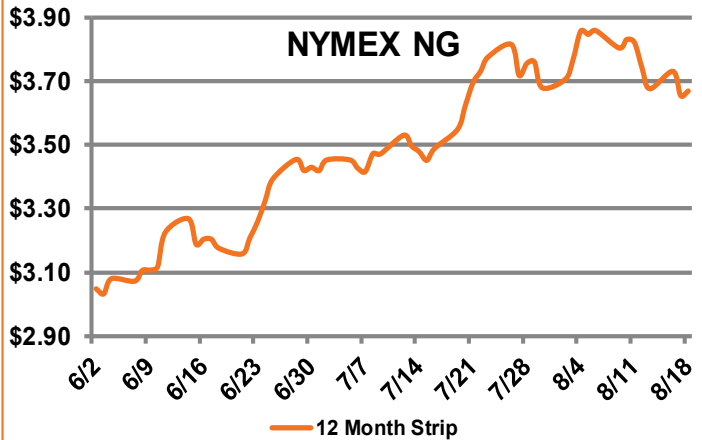
Summary: The NYMEX natural gas prompt month contract settled at \$3.852/MMBtu yesterday, up a penny and a half from the previous day. Similar movement was felt in the 12-mo strip as that also crept up over a penny, as did Cal '22. The outer calendar strips beyond 2023 remained relatively flat day-over-day. Eyes continue to be on Tropical Storm Henri, which is making its way up alongside the East Coast this week, currently sitting about 525 miles southeast of Cape Hatteras, NC, with sustained winds of 70 mph as of this morning. Forecasts show Henri reaching the New England area by early next week, but the weather models are not sure whether Henri will navigate closer to the coast, or bear east and avoid making landfall at all. We also continue to track Hurricane Grace, which made landfall near Tulum, Mexico early this morning and is expected to move west throughout the day and eventually make landfall as a hurricane over the southwestern Gulf Coast of Mexico. Weather models show no Texas impacts from Grace, other than some slightly higher surf. Luckily, it's not looking like the Gulf's oil/gas production will be impacted by Hurricane Grace. Total U.S. dry production bounced back to 91.3 Bcf/d today, up 0.9 Bcf/d from yesterday.

Bullish Factors

- Post-pandemic demand growth
- Less-than-average storage injections
- High exports to Mexico

Bearish Factors

- Stable production
- Year-to-date power burn below 2020
- Average temps outside of the West



Next Day On-Peak Power (traded for 8/19/2021)

ISO-NE Mass Hub \$56.69	MISO Indiana Hub \$49.17	NYISO Zone G \$50.44
PJM West Hub \$52.73	ERCOT North \$38.01	CAISO SP15 \$43.00
NYMEX NG		
	Close	Change
Sep-21	3.852	0.015
Oct-21	3.866	0.015
12-Month	3.668	0.014
Cal 22	3.479	0.013
Cal 23	3.038	0.009

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,776	2,727	3,324	2,954
Diff v. Current		49	-548	-178
% Diff			-16.5%	-6.0%

