

Early Morning Update

The Sep '21 natural gas contract is trading down \$0.02 at \$3.92. The Sep '21 crude oil contract is up \$0.86 at \$66.50.

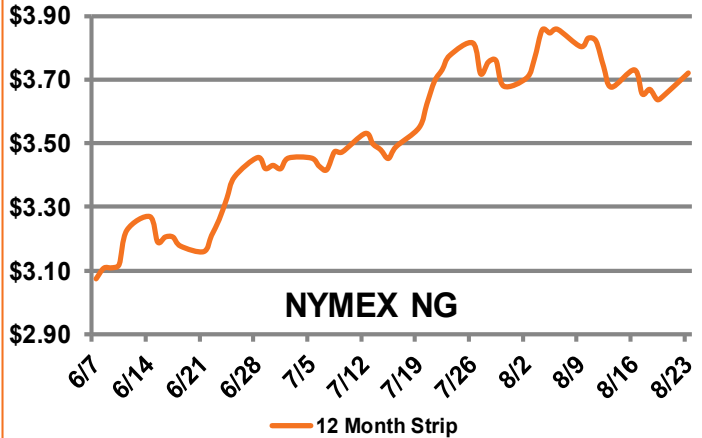
Summary: Bullishness returned to the natural gas market yesterday, in what is becoming a very familiar start to the week. In seven of the last nine Monday trading sessions, gas has made significant moves upwards, and yesterday was no different. The prompt month gained 9.4 cents in this week's opening session, closing at \$3.945/MMBtu. The 12-month strip was up 6.7 cents, and Cal '22 gained almost a nickel. Beyond 2023, the NYMEX natural gas pricing curve was relatively flat. With warmer temperatures saturating the eastern U.S., total demand for natural gas has been inching up and is 4.3 Bcf/d higher today than it was this past Sunday. Meanwhile, U.S. dry production dropped 1.3 Bcf/d day-over-day, tightening the supply/demand balance and adding fuel to the natural gas pricing fire. Tropical Storm Henri has been wreaking havoc along the East Coast after making landfall in Rhode Island on Sunday afternoon. Causing extensive flooding, high winds, and power outages from New Jersey up to Maine, Bentek has reported that gas deliveries to power plants has fallen 0.4 Bcf/d in Virginia, Maryland, and New Jersey. Despite the brief respite in temperatures because of the rains, temperatures are expected to rise again after the storm's departure, bringing more bullishness back to the market.

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

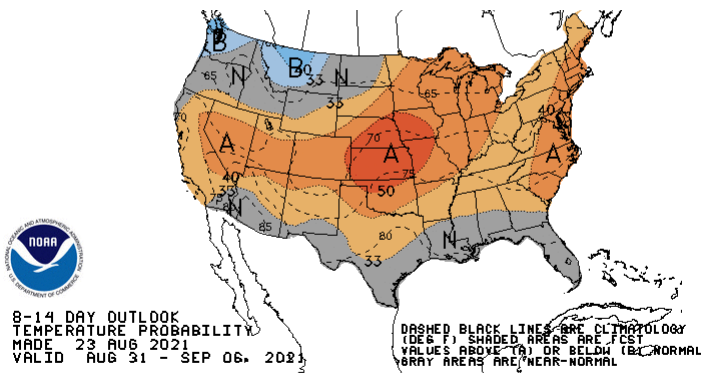
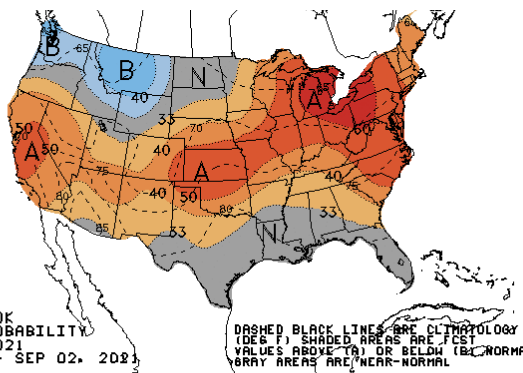
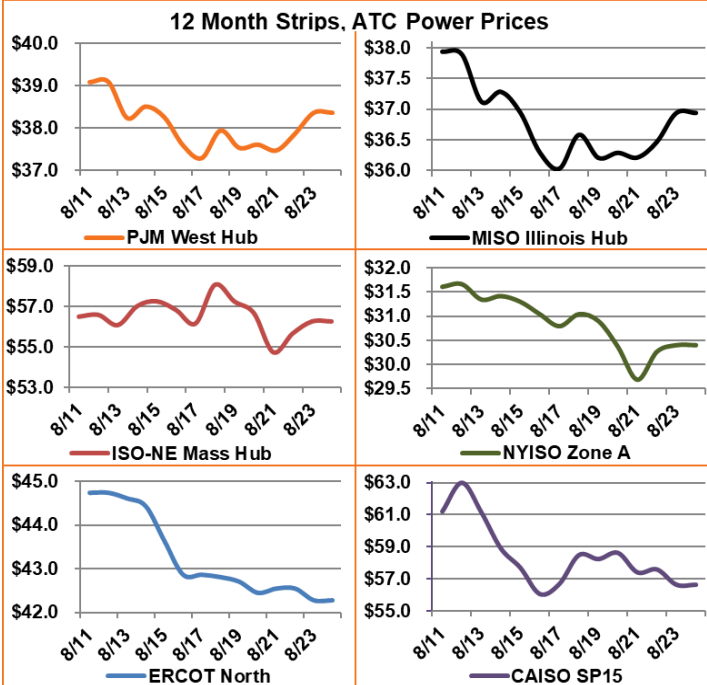


Next Day On-Peak Power (traded for 8/24/2021)

ISO-NE Mass Hub \$69.50	MISO Indiana Hub \$69.69	NYISO Zone G \$59.41
PJM West Hub \$65.06	ERCOT North \$51.50	CAISO SP15 \$46.40
NYMEX NG	Close	Change
Sep-21	3.945	0.094
Oct-21	3.960	0.094
12-Month	3.719	0.067
Cal 22	3.509	0.049
Cal 23	3.034	0.010

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,822	2,776	3,369	2,996
Diff v. Current		46	-547	-174
% Diff			-16.2%	-5.8%



90% 80% 70% 60% 50% 40% 33% 33% 40% 50% 60% 70% 80% 90%

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