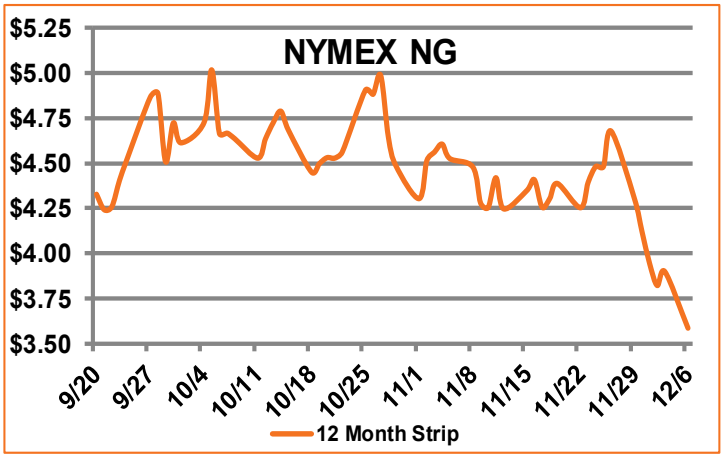
Direct Energy Business

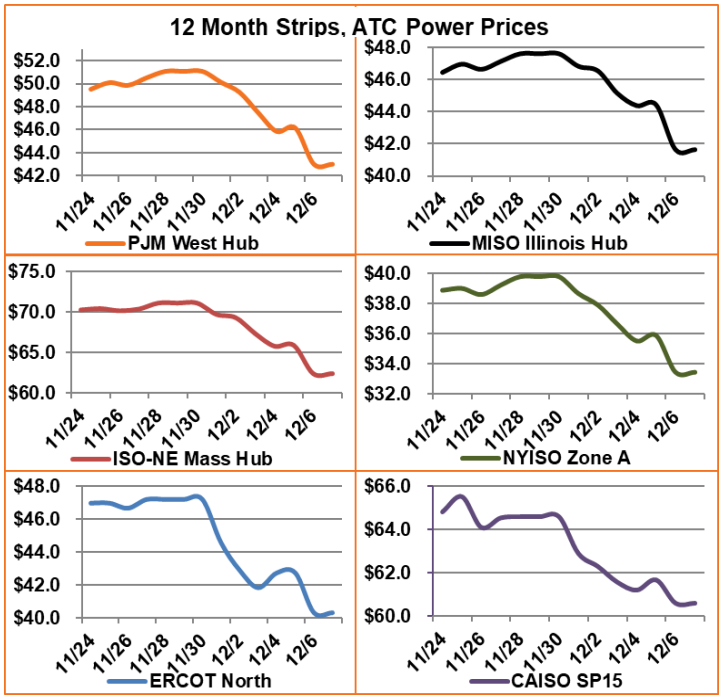
Daily Market Update
December 7, 2021

Early Morning Update
The Jan '21 natural gas contract is trading up $0.08 at $3.74. The Jan '21 crude oil contract is up $1.61 at $71.10.

Summary: Another wild Monday for the energy markets saw near-term gas prices crashing to levels not seen in months. The January 2022 prompt month fell nearly 48 cents, settling well below $4.00 at $3.657/MMBu. The whole Q1 '22 strip lost nearly 11% to $3.602/MMBtu, which helped drop the entire 2022 year 8% to $3.585/MMBtu. The 2023 year moved down 11 cents to $3.35/MMBtu, and 2024 and 2025 both moved down around three cents each. Weather reports continue to rule these market movements of great magnitude, as overwhelming warmer-than-normal temperatures are showing widespread across the country in the 6 to 14 day forecasts after a short eastern cold snap. Strong production numbers are coming in from all regions, as well, so eyes may be on storage in comparison to historical benchmarks to see if any lost ground can be made up before moving into the thick of the winter. The total of the next three storage withdrawals are estimated to be more than 100 Bcf less than the five-year average, which should flip the current deficit to the five-year average to a surplus.

Bullish Factors	Bearish Factors
• Record high LNG exports	• Warmer-than-normal temps
• Extremely high global gas markets	• Year-to-date power burn below 2020
• High exports to Mexico	• Flat industrial demand





Next Day On-Peak Power (traded for 12/7/2021)

ISO-NE Mass Hub $64.97	MISO Indiana Hub $66.36	NYISO Zone G $53.07
PJM West Hub $53.31	ERCOT North $35.00	CAISO SP15 $62.72

NYMEX NG	Close	Change
Jan-22	3.657	-0.475
Feb-22	3.625	-0.448
12-Month	3.585	-0.312
Cal 22	3.585	-0.312
Cal 23	3.350	-0.110

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,564	3,623	3,939	3,650
Diff v. Current		-59	-375	-86
% Diff			-9.5%	-2.4%