

Early Morning Update

The Dec '21 natural gas contract is trading up \$0.15 at \$5.34. The Dec '21 crude oil contract is down \$0.25 at \$83.80.

Summary: November continues volatile trading as weather forecasts push the NYMEX natural gas winter strip back and forth. Yesterday, the price change came out to be favorable for the buyers in the market, as the prompt fell by \$0.24/MMBtu bringing it to \$5.186/MMBtu. As mentioned, weather forecasts appear to be playing a major factor during this fall. The Midwest through Northeastern regions of the U.S. appear to be hitting some low temperatures this week, with a brief respite during early next week. This particular region is specifically important to natural gas demand as these regions have many homes heated by natural gas. As a result, since Friday, there has been an increase of over 10.0 Bcf/day usage for residential and commercial heating. Power burn is also up almost 4.0 Bcf/d, as well. Meanwhile, Bentek's projection for natural gas production for today surged to 93.8 Bcf/d, a level the market has not seen since March 2020.

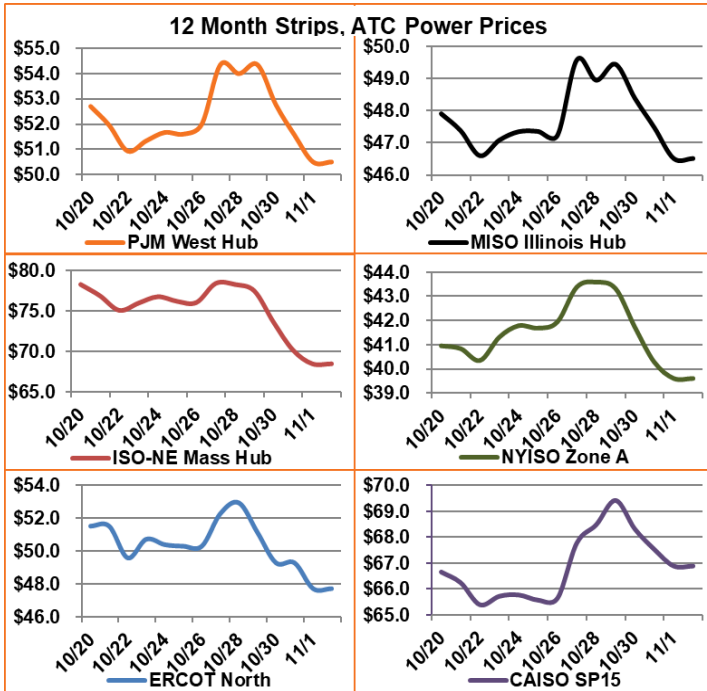
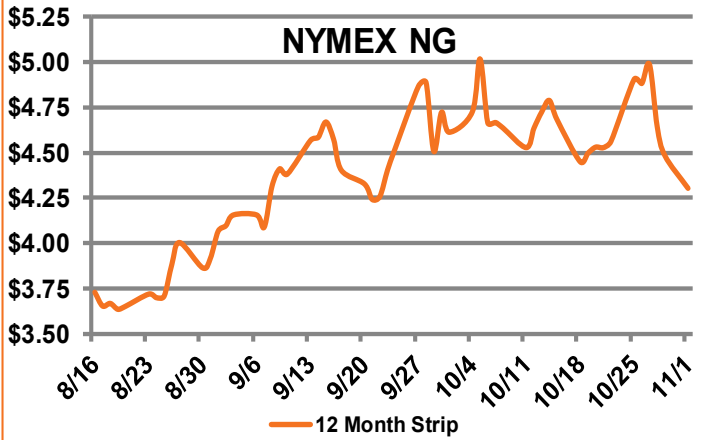
Please note: Next day on-peak power prices have not been updated for today's report. Prices shown are for yesterday, Nov. 1.

Bullish Factors

- Struggling natural gas production
- Extremely high global gas markets
- High exports to Mexico

Bearish Factors

- Mild shoulder season temps
- Year-to-date power burn below 2020
- Flat industrial demand



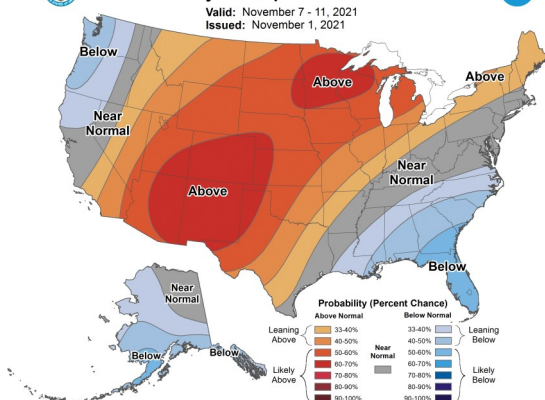
Next Day On-Peak Power (traded for 11/2/2021)

ISO-NE Mass Hub \$63.18	MISO Indiana Hub \$67.05	NYISO Zone G \$63.14
PJM West Hub \$66.97	ERCOT North \$50.19	CAISO SP15 \$75.06
NYMEX NG	Close	Change
Nov-21	5.186	-0.240
Dec-21	5.305	-0.224
12-Month	4.303	-0.180
Cal 22	4.217	-0.173
Cal 23	3.448	-0.110

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,548	3,461	3,951	3,674
Diff v. Current		87	-403	-126
% Diff			-10.2%	-3.4%

6-10 Day Temperature Outlook



8-14 Day Temperature Outlook

