

Early Morning Update

The Dec '21 natural gas contract is trading up \$0.01 at \$5.55. The Dec '21 crude oil contract is down \$2.31 at \$81.60.

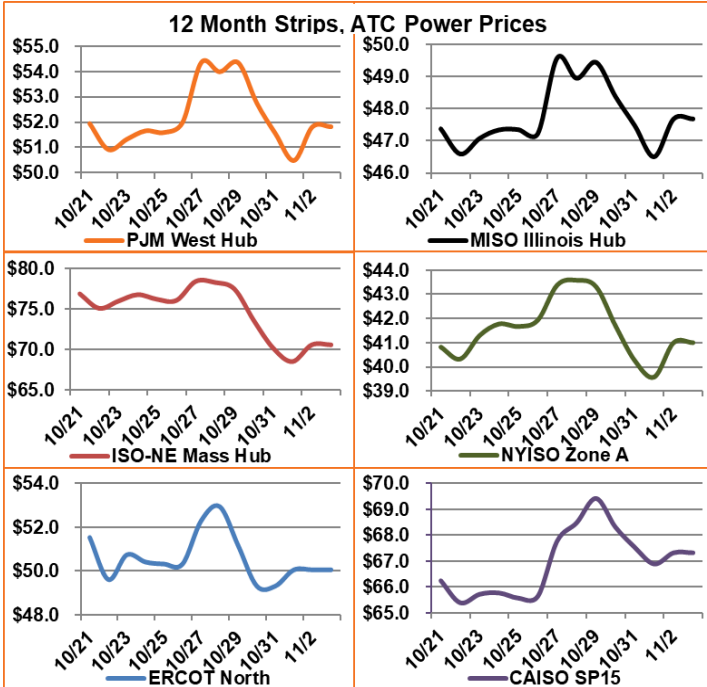
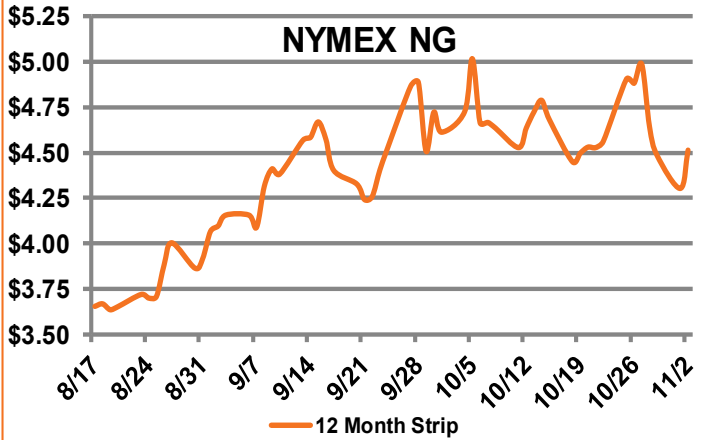
Summary: The volatility in the NYMEX natural gas market continued in yesterday's trading session as the December prompt month contract gained 35.6 cents from Monday to close at \$5.542/MMBtu. The remaining winter strip of Dec '21 through Mar '22 followed closely behind, gaining 32.6 cents, and the 12-month strip climbed 21 cents. The upward momentum extended throughout the curve with all forward calendar strips gaining. Calendar 2022, now only one month off of the 12-month strip, gained the most, as it closed at \$4.287, an increase of 19 cents. Cal strips 2023 through 2025 gained between 3 and 5 cents and remain backwarddated at \$3.58, \$3.20, and \$3.04, respectively. The calendar strips beyond there, from 2026 through 2033, all gained a consistent 6.1 cents. Cal 2026 remains the low strip on the board, just below the \$3 mark at \$2.987. On the fundamentals side, domestic natural gas production has remained above 92 Bcf/d since Friday and, over the past two days, has come in right below 93 Bcf/d, with most of the increases coming from Texas. On the demand side, the Res/Comm sector has shown significant growth through the past week, up 12 Bcf/d from last Thursday, as the cooler temps through the Midcon and Northeast are likely encouraging higher furnace utilization.

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 11/3/2021)

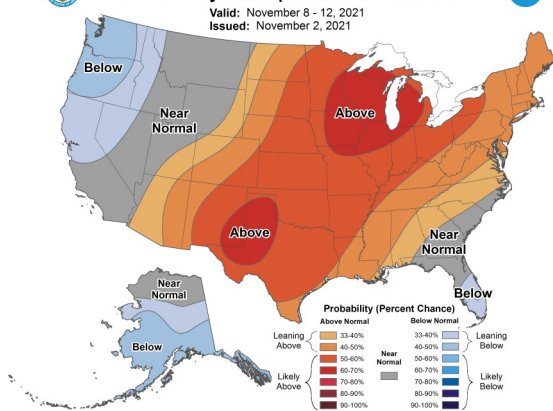
ISO-NE Mass Hub \$67.93	MISO Indiana Hub \$78.75	NYISO Zone G \$65.34
PJM West Hub \$81.92	ERCOT North \$69.76	CAISO SP15 \$68.61

NYMEX NG	Close	Change
Nov-21	5.542	0.356
Dec-21	5.640	0.335
12-Month	4.514	0.210
Cal 22	4.409	0.192
Cal 23	3.497	0.049

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

