

Early Morning Update

The Dec '21 natural gas contract is trading down \$0.16 at \$4.82. The Dec '21 crude oil contract is up \$0.05 at \$84.20.

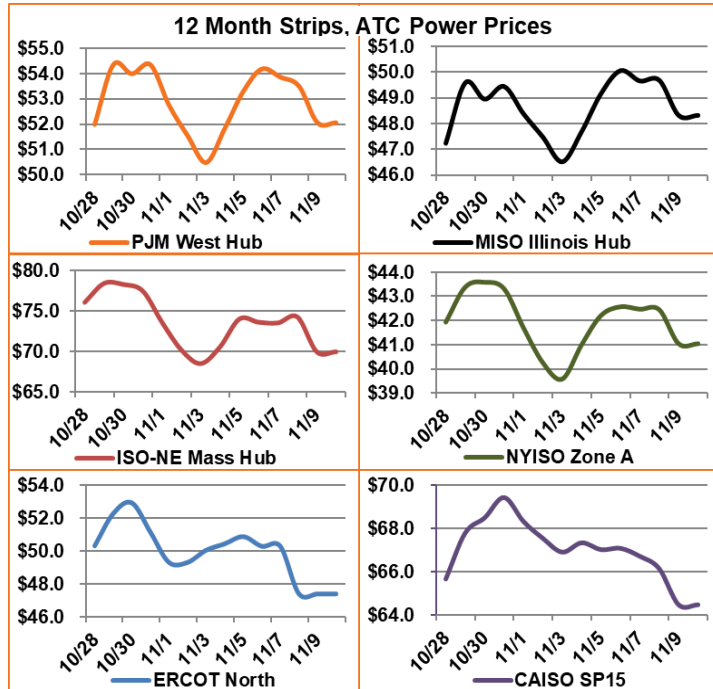
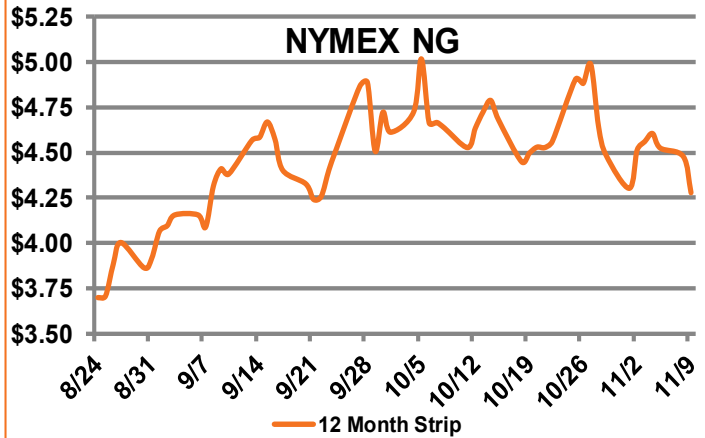
Summary: Yesterday's trading session saw continued volatility in NYMEX natural gas, this time to the downside as the front of the curve dropped below the \$5 mark for the first time since October 18th. The prompt month closed at \$4.979/MMBtu, representing a drop of nearly 45 cents. The last time this year's December contract closed below the \$5 level was on September 22nd. The remaining winter strip of December 2021 through March 2022 also dropped below \$5 after losing 40 cents and is now at \$4.93. The downward trend continued through 2023 winter months with the 12-month strip falling 20 cents, and Cal2022 not far behind, losing 17 cents. The low priced calendar strip, 2026, was relatively flat, holding just above the \$3 mark at \$3.03. On the fundamentals side, natural gas production has held above 93 Bcf/d for over a week and surpassed 94 Bcf/d on two of those days. The majority of the gains are coming out of the southwest regions with Permian, EagleFord, and Haynesville all showing gains over the past month when compared to the northeast regions, which have remained fairly steady. On the demand side, domestic demand has dropped sharply in the past week, nearly 14 Bcf/d, with the largest moving areas being the res/comm and power burn sectors, as temperatures have moderated through the U.S.

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



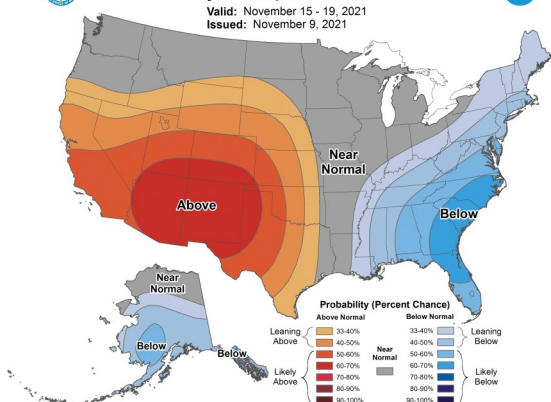
Next Day On-Peak Power (traded for 11/10/2021)

ISO-NE Mass Hub \$50.50	MISO Indiana Hub \$66.53	NYISO Zone G \$59.74
PJM West Hub \$61.63	ERCOT North \$37.90	CAISO SP15 \$68.59
NYMEX NG		
	Close	Change
Dec-21	4.979	-0.448
Jan-22	5.070	-0.435
12-Month	4.279	-0.200
Cal 22	4.215	-0.169
Cal 23	3.488	-0.009

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,611	3,548	3,924	3,712
Diff v. Current		63	-313	-101
% Diff			-8%	-2.7%

6-10 Day Temperature Outlook



8-14 Day Temperature Outlook

