

Early Morning Update

The Nov '21 natural gas contract is trading up \$0.31 at \$6.08. The Nov '21 crude oil contract is up \$1.08 at \$78.70.

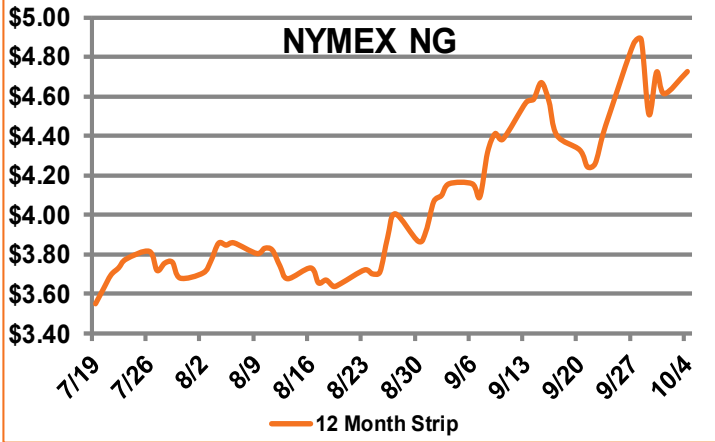
Summary: The story of a global energy crisis is starting to enter into the mainstream news as the entire energy sector continues its upward trajectory. In relation to natural gas, European and Asian markets have seen record rallies to approximately \$35/MMBtu as a result of concern built from their below-par storage levels. While European markets are main targets for American LNG exports, more capacity is targeted to be brought online through a Russia to Germany pipeline. Though this move likely would not change the demand for American LNG, successful operation could mean less inelasticity and potentially lower prices for the upcoming winter. Furthermore, coal has started re-entering the headlines as a global shortage is forcing both India and China to face looming blackouts due to lack of primary fuel. Both countries currently rely heavily on the fossil fuel, but in an effort to incentivize production, they have increased their buy prices. China, in particular, decided to raise its willingness to buy to a point where the already stressed Japanese market is having utilities sell natural gas to China. How effective all these international decisions and plays will be are going to be subject to the upcoming winter. Winter weather forecasts are expected to be issued in the next two weeks, which may even increase volatility.

Bullish Factors

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

Bearish Factors

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

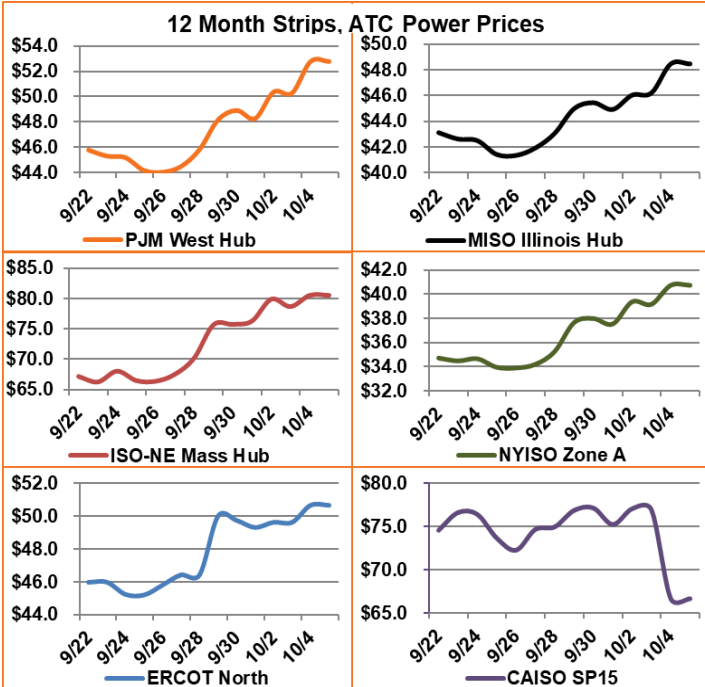


Next Day On-Peak Power (traded for 10/5/2021)

ISO-NE Mass Hub \$65.50	MISO Indiana Hub \$83.00	NYISO Zone G \$60.56
PJM West Hub \$81.67	ERCOT North \$63.74	CAISO SP15 \$65.30
NYMEX NG	Close	Change
Nov-21	5.766	0.147
Dec-21	5.906	0.143
12-Month	4.725	0.112
Cal 22	4.440	0.102
Cal 23	3.506	0.043

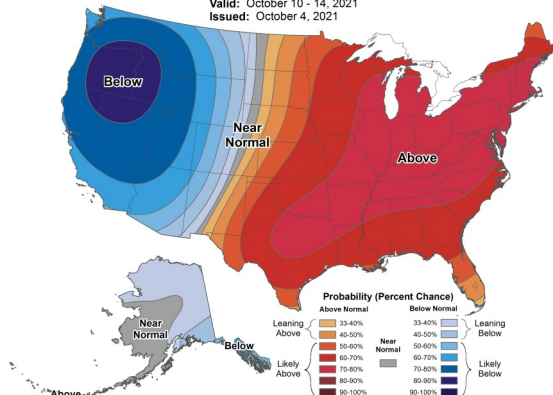
EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,170	3,082	3,745	3,383
Diff v. Current		88	-575	-213
% Diff			-15.4%	-6.3%



6-10 Day Temperature Outlook

Valid: October 10 - 14, 2021
Issued: October 4, 2021



8-14 Day Temperature Outlook

Valid: October 12 - 18, 2021
Issued: October 4, 2021

