

Early Morning Update

The Nov '21 natural gas contract is trading down \$0.25 at \$6.06. The Nov '21 crude oil contract is down \$0.93 at \$78.00.

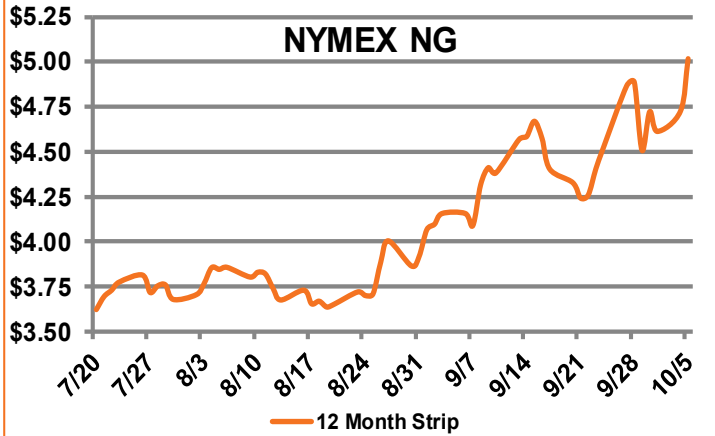
Summary: Natural gas continued its rally yesterday with sharp upward movement as the November prompt month contract closed well above the \$6 mark at \$6.312/MMBtu, representing a gain of 54.6 cents on the day. This is the highest close for the November 2021 contract, surpassing the previous high set just last Tuesday at \$5.88. The winter strip also showed significant movement up, closing at \$6.334, with all months from Nov '21 through Feb '22 gaining over 50 cents and climbing above \$6, and Mar '22 gaining just under at 49 cents and at \$5.996. The 12-month strip surpassed the \$5 mark and sits at \$5.017 after gaining just under 30 cents. This is the first time since June 8, 2011, that the 12-month strip has been above the \$5 mark. The 2022 calendar strip followed closely behind, gaining 22 cents and closing at \$4.66. Beyond the front calendar strip, Cal '23 gained five cents, and Cals '24 and '25 moved up around four cents. The backwardation remains out to Cal '26, now just above \$3 at \$3.014 after moving up two cents. The price rally also continued overseas - UK pricing exceeded \$40 for prompt month LNG, Euro pricing is just under \$40, and pricing in Asia is just under \$30. Domestically, NG production has slowly trended higher over the past week, moving above 90 Bcf/d for the first time since the last week of August.

Bullish Factors

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

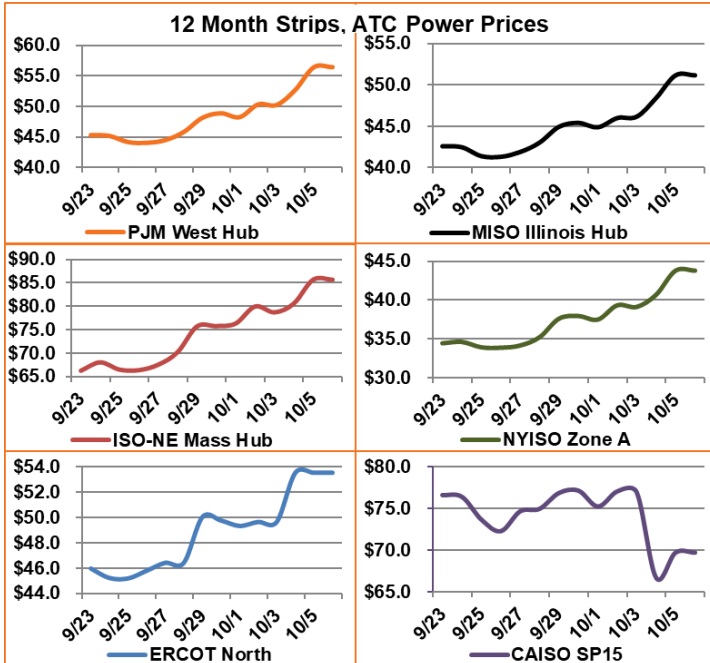
Bearish Factors

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



Next Day On-Peak Power (traded for 10/6/2021)

ISO-NE Mass Hub \$65.68	MISO Indiana Hub \$87.13	NYISO Zone G \$62.10
PJM West Hub \$79.62	ERCOT North \$60.03	CAISO SP15 \$61.92
NYMEX NG	Close	Change
Nov-21	6.312	0.546
Dec-21	6.432	0.526
12-Month	5.017	0.292
Cal 22	4.663	0.224
Cal 23	3.560	0.055

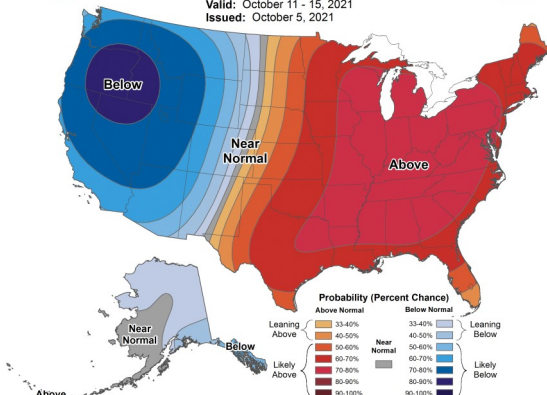


EIA Natural Gas Storage

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 11 - 15, 2021
Issued: October 5, 2021



8-14 Day Temperature Outlook

Valid: October 13 - 19, 2021
Issued: October 5, 2021

