

Early Morning Update

The Nov '21 natural gas contract is trading down \$0.15 at \$5.52. The Nov '21 crude oil contract is down \$0.43 at \$77.00.

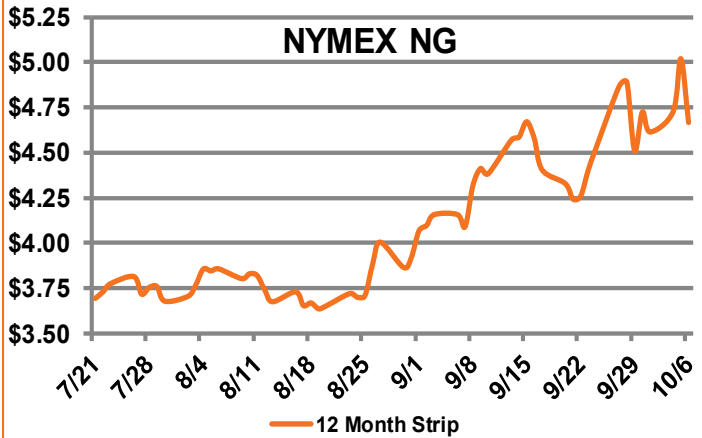
Summary: Market participants were hopefully still wearing their seatbelts during yesterday's bumpy trading day, which featured more of the same track passengers have been riding since April. Wednesday's session featured one of the widest intra-day trading ranges in recent history for the prompt contract. The November contract sprinted out of the gate early, climbing nearly \$0.15 to the day's peak of \$6.466/MMBtu. Within a few hours, the same term plunged \$0.80 back to Earth and bottomed to \$5.663/MMBtu, ultimately settling \$0.637 lower day-over-day at \$5.675/MMBtu. This same pattern was echoed less-intensely throughout the near-term curve, likely from elements of both technical trading and continued warmth forecasted throughout October. Natural gas demand has been fairly light over the last few weeks, as comfortable temperatures have allowed stockpiles to slowly chip away at the current storage deficit. According to a Bloomberg poll, today's U.S. Energy Information Administration storage report for the week ending October 1st may result in a triple-digit injection. Despite some bearish momentum, passengers will likely have to endure more upside volatility over the coming weeks as winter forecasts begin to crystalize their influence on domestic and international storage levels. Expectations of a harsh winter could force the U.S. to compete with Asia and Europe for domestically-produced power burn feed gas, likely leading to significant upward pressure on prices.

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

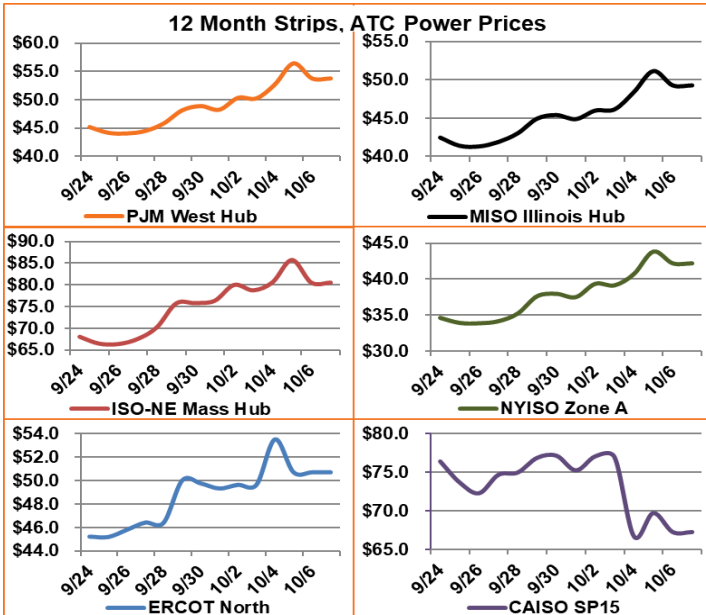


Next Day On-Peak Power (traded for 10/7/2021)

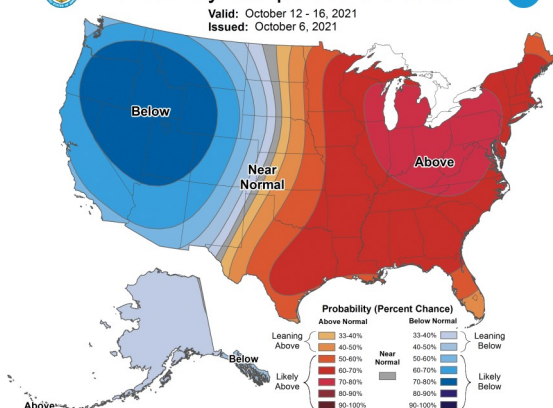
ISO-NE Mass Hub \$67.30	MISO Indiana Hub \$87.00	NYISO Zone G \$67.13
PJM West Hub \$81.86	ERCOT North \$60.01	CAISO SP15 \$63.75
NYMEX NG	Close	Change
Nov-21	5.675	-0.637
Dec-21	5.803	-0.629
12-Month	4.665	-0.352
Cal 22	4.391	-0.273
Cal 23	3.475	-0.085

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



8-14 Day Temperature Outlook

