

**Early Morning Update**

The Oct '21 natural gas contract is trading up \$0.23 at \$5.17. The Oct '21 crude oil contract is up \$0.87 at \$70.59.

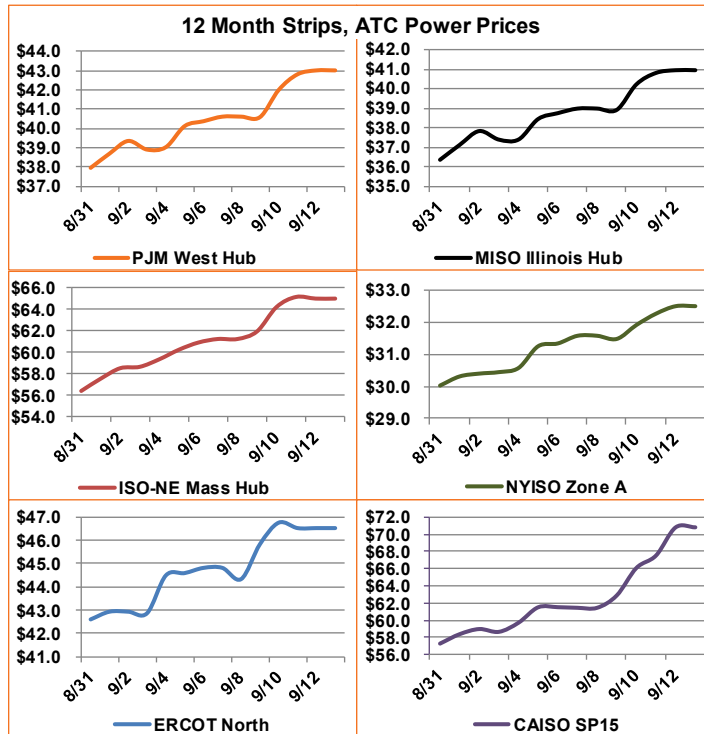
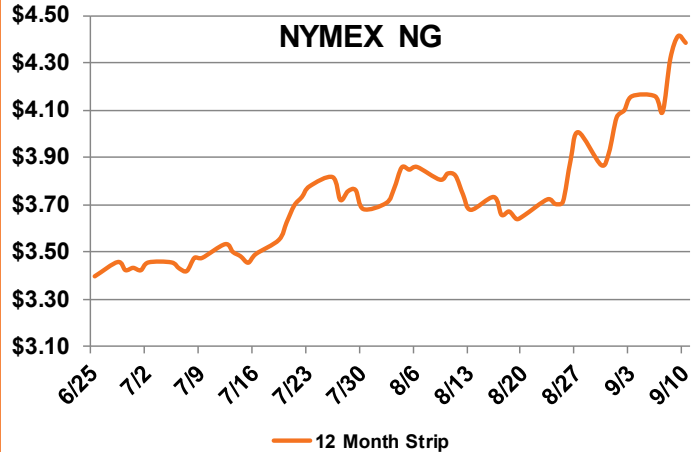
**Summary:** The NYMEX natural gas market has continued its upward trajectory and experienced even further volatility. On Wednesday alone the prompt month of October saw a positive change of nearly \$0.35/MMBtu. Though settle was \$4.914/MMBtu, the upward trajectory was enough to bring prices over the edge of the \$5.00/MMBtu mark. Though Friday receded, the \$5 ceiling has been broken fairly easily and movement as of this morning is already well past that mark. For a Monday morning, it is not common to exceed a \$0.10/MMBtu movement, but trades have increased the trading price by nearly \$0.14/MMBtu by 8am EST. In the short term, the supply demand spread has decreased as temperatures remain relatively moderate while supply is starting to increase as production comes back online following the impacts of Hurricane Ida. Speaking of storms, tropical storm Nicholas is poised to bring heavy rain and potential for flash flooding to South Eastern Texas, though confidence in the exact path of the storm is low.

**Bullish Factors**

- Post-pandemic demand growth
- Less-than-average storage injections
- High exports to Mexico

**Bearish Factors**

- Stable production
- Year-to-date power burn below 2020
- Average temps outside of the West



**Next Day On-Peak Power (traded for 9/13/2021)**

ISO-NE Mass Hub \$59.37	MISO Indiana Hub \$69.50	NYISO Zone G \$58.80
PJM West Hub \$80.12	ERCOT North \$47.13	CAISO SP15 \$81.22
NYMEX NG	Close	Change
Oct-21	4.938	-0.093
Nov-21	4.973	-0.099
12-Month	4.382	-0.028
Cal 22	4.110	0.002
Cal 23	3.300	0.021

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,923	2,871	3,515	3,158
Diff v. Current		52	-592	-235
% Diff			-16.8%	-7.4%

