

Early Morning Update

The Oct '21 natural gas contract is trading down \$0.02 at \$5.09. The Oct '21 crude oil contract is down \$1.67 at \$70.30.

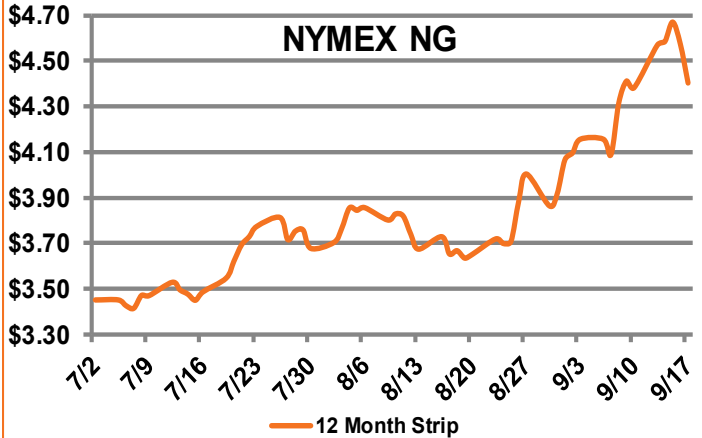
Summary: After some extreme bullishness in the natural gas market early last week, with the October NYMEX contract settling as high as \$5.46 on Wednesday, the prompt month gave back much of the early week gains on Thursday and Friday, ultimately closing out the week at \$5.105/MMBtu, down 23 cents on the day and only showing a 17 cent gain on the week. Calendar strips 2022-2028 showed some softening week-over-week, as well, with all of them down between \$0.01 and \$0.06. The U.S. Energy Information Administration's weekly storage report helped cool off the market a bit on Thursday, reporting a weekly storage increase of 83 Bcf for the week to September 10, while the market was expecting a much smaller 69 Bcf injection. The total of the next three reports are expected to show storage growth slightly higher (6 Bcf) than the five-year average, and the end-of-season storage level is now projected to be 3,540 Bcf, about a 5% deficit to the five-year average. Natural gas production has increased by 1.6 Bcf/d since last week after a couple of hurricanes shut in a good amount of Gulf offshore production, but is projected to stay relatively flat for the next two weeks. It is estimated that total demand for natural gas will edge down slightly on cooler temperatures as we had into the shoulder season.

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

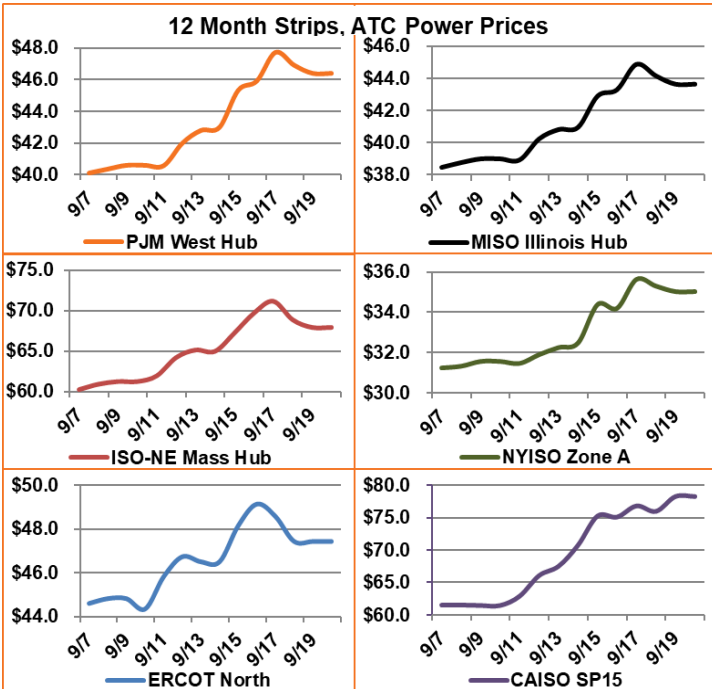


Next Day On-Peak Power (traded for 9/20/2021)

ISO-NE Mass Hub \$57.15	MISO Indiana Hub \$73.50	NYISO Zone G \$60.39
PJM West Hub \$70.10	ERCOT North \$64.50	CAISO SP15 \$68.60
NYMEX NG	Close	Change
Oct-21	5.105	-0.230
Nov-21	5.146	-0.236
12-Month	4.403	-0.170
Cal 22	4.052	-0.138
Cal 23	3.245	-0.055

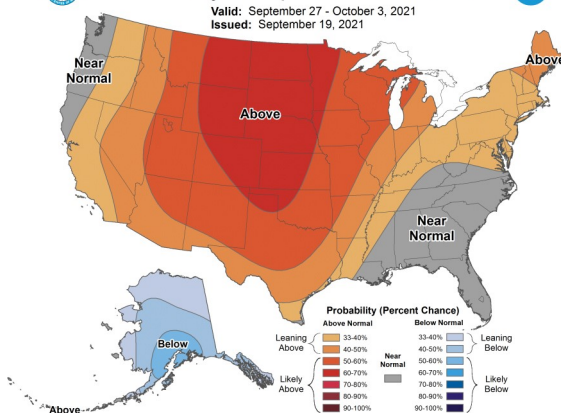
EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,006	2,923	3,601	3,237
Diff v. Current		83	-595	-231
% Diff			-16.5%	-7.1%



8-14 Day Temperature Outlook

Valid: September 27 - October 3, 2021
Issued: September 19, 2021



6-10 Day Temperature Outlook

Valid: September 25 - 29, 2021
Issued: September 19, 2021

