

**Early Morning Update**

The Oct '21 natural gas contract is trading up \$0.30 at \$5.44. The Nov '21 crude oil contract is up \$1.52 at \$75.50.

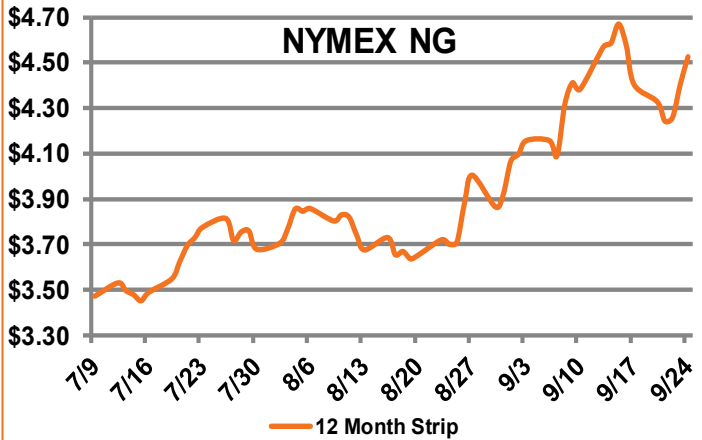
**Summary:** Gas and power pricing have been incredibly bullish over the past 30 days. On 8/28, the October contract debuted as the prompt month at \$4.37 and then settled last Friday (9/24) at \$5.14, a move up of 77 cents (18%). The NYMEX move higher wasn't just confined to the prompt month – Q1 '22 on 8/28 settled at \$4.40 and, on Friday, closed at \$5.21 – a move up of 81 cents (18%) month-over-month. While not increasing as sharply, the longer terms (Cals '24-'26) have moved higher 14 cents from \$2.86 on 8/28 to \$3 (5%) on Friday. Power forwards are tightly correlated and have moved higher, notably for the upcoming winter, with Q1 '22 on peak pricing for Mass Hub trading at \$130/MWh, and ERCOT North Hub trading at \$69 – up \$20 and \$10/MWh, respectively, over the past month. In looking back, the market fundamentals of stalled growth and shut-in production, demand outpacing supply (notably from LNG exports), and storage deficits compared to history all paint the picture of increased prices. Until the market feels these fundamentals are being addressed to balance the market via a combination of increased production, above-average winter temps, and decreasing demand, the bullish sentiment may remain and continue to drive prices even higher than the historically large increases we've seen this month.

**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

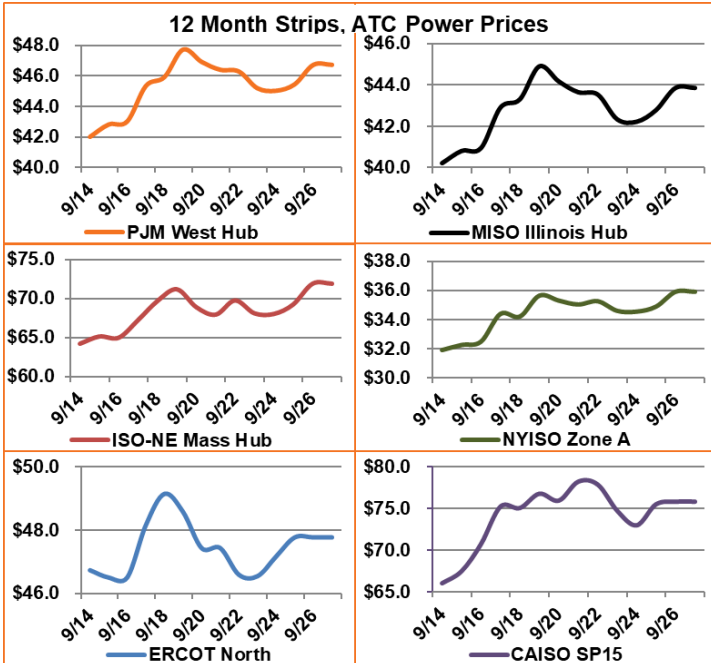


**Next Day On-Peak Power (traded for 9/27/2021)**

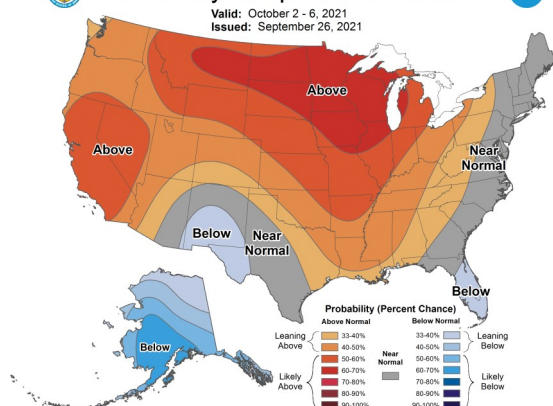
ISO-NE Mass Hub \$49.07	MISO Indiana Hub \$53.63	NYISO Zone G \$51.47
PJM West Hub \$47.65	ERCOT North \$52.05	CAISO SP15 \$50.81
NYMEX NG	Close	Change
Oct-21	5.140	0.164
Nov-21	5.200	0.157
12-Month	4.525	0.120
Cal 22	4.209	0.101
Cal 23	3.385	0.042

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,082	3,006	3,671	3,311
Diff v. Current		76	-589	-229
% Diff			-16.0%	-6.9%



**6-10 Day Temperature Outlook**



**8-14 Day Temperature Outlook**

