

Early Morning Update

The Oct '21 natural gas contract is trading up \$0.17 at \$5.88. The Nov '21 crude oil contract is up \$0.55 at \$76.00.

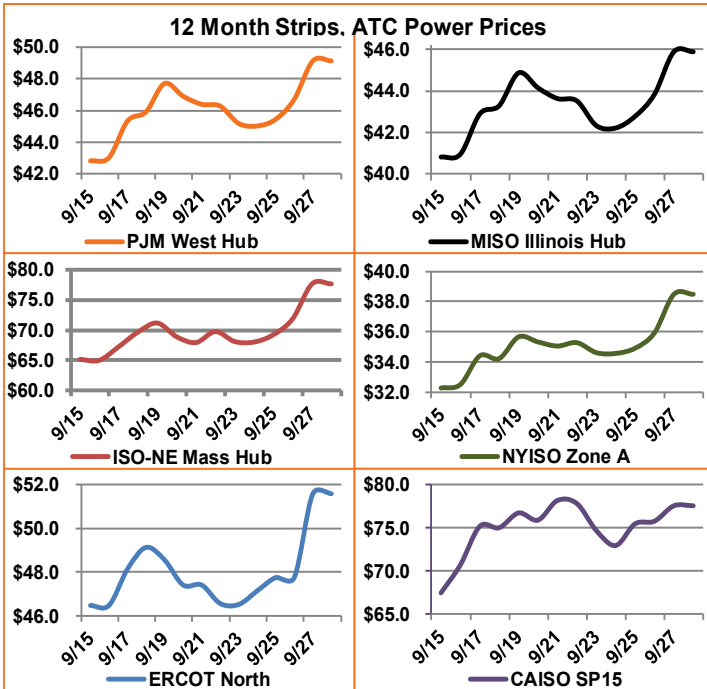
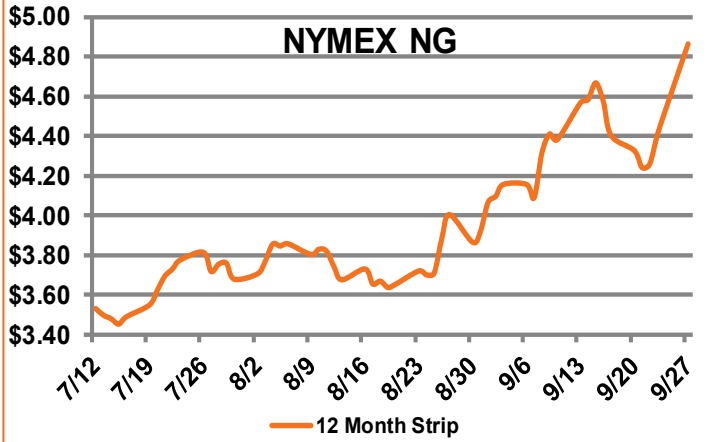
Summary: After yet another extremely bullish day, the NYMEX natural gas prompt month saw a mind-blowing \$0.566 increase, settling at \$5.706/MMBtu to start the week. This morning seems to have some of the same sentiment as prompt month prices continue to rise strongly and were trading above the \$6 technical level. The relatively high double digit movement extends through the Winter Strip of 2023, though bullishness did continue after that. Today is the last trading day for the October contract, and volatility was expected, but not necessarily to this extent. Apart from regular natural gas fundamentals pushing the market upwards, U.S. Treasury yields have also changed the overall market by increasing and indicating a bond sell-off. This sell-off for bonds is also a very bullish indicator for stocks and commodities tied to the overall economy, particularly the energy sector. On a side note, this is a bearish sign for high-growth stocks, such as those in the technology sector. From the managed money sector, otherwise known as the speculators in the market, we see a continued net long position as prices soar past the \$6/MMBtu mark.

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



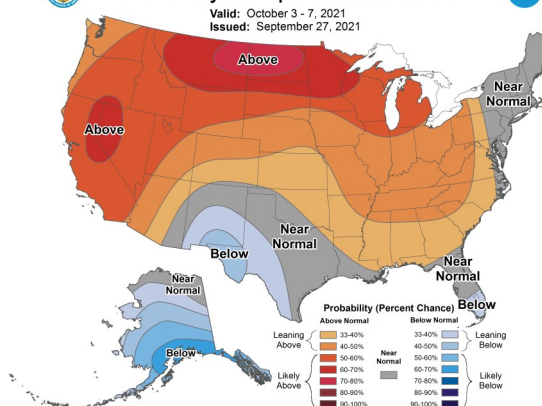
Next Day On-Peak Power (traded for 9/28/2021)

ISO-NE Mass Hub \$53.00	MISO Indiana Hub \$62.13	NYISO Zone G \$49.41
PJM West Hub \$56.58	ERCOT North \$51.50	CAISO SP15 \$48.15
NYMEX NG	Close	Change
Oct-21	5.706	0.566
Nov-21	5.731	0.531
12-Month	4.866	0.341
Cal 22	4.454	0.245
Cal 23	3.472	0.087

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

