

Early Morning Update

The Sep '22 natural gas contract is trading flat at \$8.26. The Sep '22 crude oil contract is up \$0.54 at \$91.20.

Summary

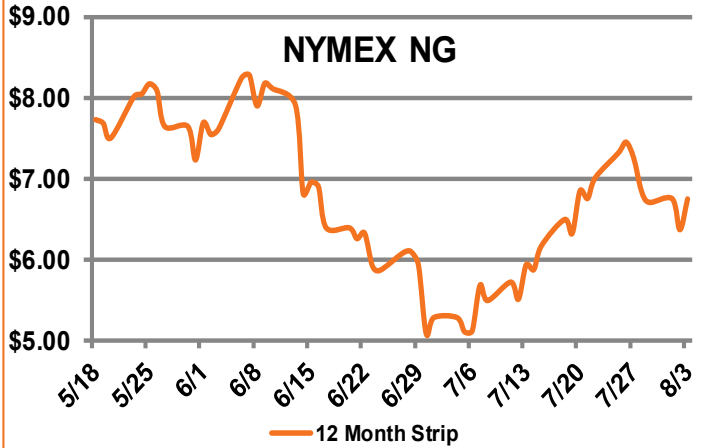
The natural gas market had continued volatility, as the prompt month closed at \$8.27/MMBtu, up \$0.56 day-over-day. The sharp jump in prices occurred after news on the Freeport LNG facility confirmed that roughly 2.0 Bcf/d of LNG will start being delivered in early October. This upward price movement trickled into the outer calendar strips as the 12-month strip gained thirty-eight cents and the Cal'23 strip jumped twenty-five cents on the day. The Cal '24 strip settled a dime higher, while the Cal '25-Cal '28 strips saw very little price movement, all closing out the trading day slightly higher. From a fundamental perspective, supply is largely unchanged, as production steadies near the 95.5 Bcf/d level. Demand fell almost 2.0 Bcf/d day-over-day, mostly due to power burn demand softening coming from the Northeast. Despite some demand relief, total demand is up almost 2.0 Bcf/d from a week ago. For the week ended July 29, Bentek is projecting a storage injection of 36 Bcf, which would be relatively in line with the five-year average and well above the injection for the same week last year. Temperatures in the Central U.S. to the Northeast will remain hotter-than-normal to close out this week. Those temperatures will subside in the Northeast, as the heat will shift to the West and Central regions for the remainder of August.

Bullish Factors

- High oil and global gas prices
- Western drought and continued heat
- Significant natural gas storage deficit

Bearish Factors

- LNG exports down due to Freeport fire
- Robust natural gas production
- Cooler temps in the East



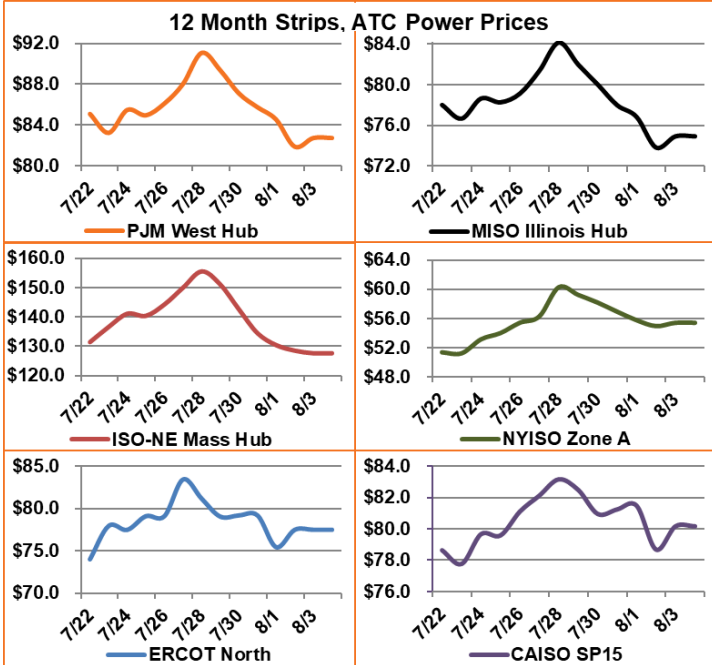
Next Day On-Peak Power (traded for 8/4/2022)

ISO-NE Mass Hub \$183.82	MISO Indiana Hub \$126.00	NYISO Zone G \$148.23
PJM West Hub \$153.17	ERCOT North \$177.66	CAISO SP15 \$100.24

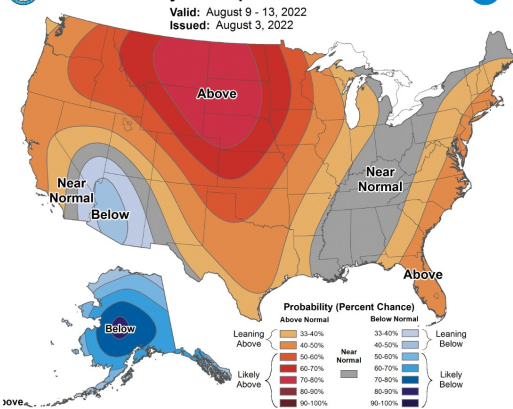
NYMEX NG	Close	Change
Sep-22	8.266	0.560
Oct-22	8.262	0.564
12-Month	6.748	0.380
Cal 23	5.666	0.249
Cal 24	4.694	0.098

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,416	2,401	2,709	2,761
Diff v. Current		15	-293	-345
% Diff			-10.8%	-12.5%



6-10 Day Temperature Outlook



8-14 Day Temperature Outlook

