

Early Morning Update

The Sep '22 natural gas contract is trading down \$.12 at \$8.00. The Sep '22 crude oil contract is down \$0.38 at \$88.16.

Summary

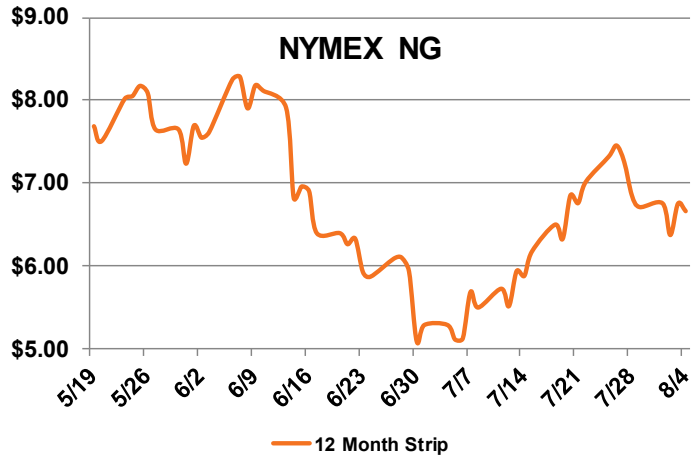
Another day with a large trading range with the prompt month trading as low as \$7.825 and as high as \$8.45 before ultimately settling at \$8.122, down \$0.144 on the day. The EIA reported a larger-than-expected build into storage of 41 bcf. The market moved down on the report but quickly bounced back before sliding lower throughout the afternoon to finish down on the day. Still driving the market are the high temps for much of the country, which is driving demand for power/NG as air conditioners are running 24x7 everywhere in the country. Weather forecasts still show above-average temps for much of the country for the next two weeks, with perhaps some easing along the east coast. But demand looks set to be high for the foreseeable future. On the supply side, daily numbers still show the lower 48 producing 95 Bcf/d, causing concern as the market needs more production and from the growing rig counts, believes it will happen. Until more supply arrives, the market will remain tight and cause downward revisions to the EOS storage outlook.

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 8/5/2022)

ISO-NE Mass Hub \$172.32	MISO Indiana Hub \$117.33	NYISO Zone G \$132.04
PJM West Hub \$125.54	ERCOT North \$122.52	CAISO SP15 \$97.21

NYMEX NG

	Close	Change
Sep-22	8.122	-0.144
Oct-22	8.114	-0.148
12-Month	6.657	-0.091
Cal 23	5.613	-0.052
Cal 24	4.669	-0.025

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,457	2,416	2,725	2,794
Diff v. Current		41	-268	-337
% Diff			-9.8%	-12.1%

