

**Early Morning Update**

The Sep '22 natural gas contract is trading up \$0.54 at \$9.88. The Sep '22 crude oil contract is down \$0.37 at \$90.40.

**Summary**

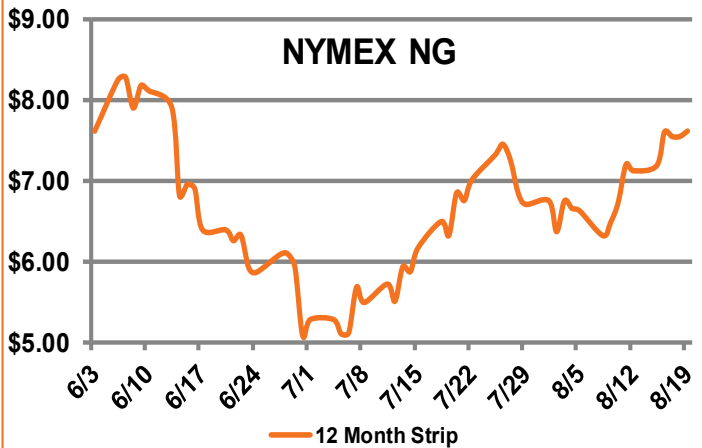
Throughout last week, total production had been moving up towards the 96 Bcf/d mark. Over the weekend, it managed to hit that exact value, which has not been seen all summer. Total supply also saw a slight increase, with Canadian imports increasing by almost 1.0 Bcf/d compared to early last week. Total demand saw the exact opposite trend happen, with a consistent decrease in demand throughout last week. Demand is down almost 5.0 Bcf/d on a week-to-week comparison. This drop in demand was driven mostly by a decreased power burn, which was consistently under 40 Bcf/d throughout the weekend, which is a lower level than what's been seen in a while. The decrease in power burn mainly comes from the cooler temperatures seen in ERCOT, Midcon, and East Coast markets over the course of last week. The weather outlook for this upcoming week is similar to last week's, as well, with cooler-than-normal temperatures expected in Texas.

**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 8/22/2022)**

ISO-NE Mass Hub \$88.42	MISO Indiana Hub \$108.50	NYISO Zone G \$107.11
PJM West Hub \$105.60	ERCOT North <b>\$97.56</b>	CAISO SP15 \$85.89
NYMEX NG		Change
Sep-22	9.336	0.148
Oct-22	9.315	0.145
12-Month	7.613	0.068
Cal 23	6.390	0.011
Cal 24	5.073	-0.006

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,519	2,501	2,815	2,886
Diff v. Current		18	-296	-367
% Diff			-10.5%	-12.7%

