

Early Morning Update

The Feb '22 natural gas contract is trading down \$0.12 at \$4.15. The Feb '22 crude oil contract is down \$0.14 at \$81.98.

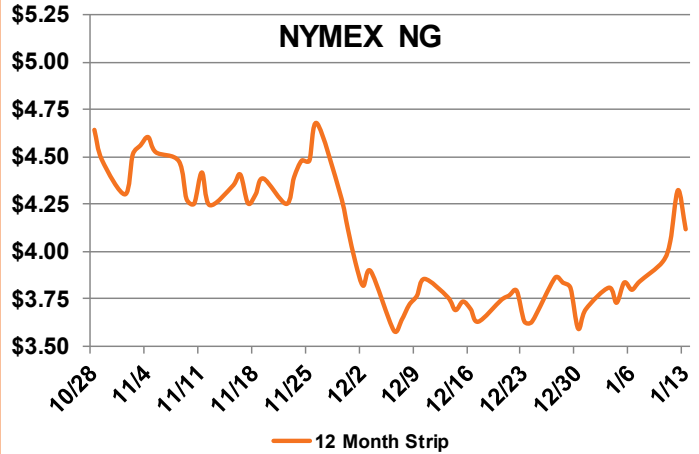
Summary: The energy markets experienced even further volatility yesterday, as the NYMEX natural gas market promptly fell precipitously from its recent peak around \$4.791/MMBtu all the way down to \$4.270/MMBtu. February settled at \$4.27/MMBtu because of the nearly 60 cent drop. The February contract had not been this high since the very last day of November when the December contract had a massive runup itself. Much of the movement, approximately 30c/MMBtu, occurred before 10:30 am EST, which is when the EIA reported the weekly storage report. According to the report, the withdrawal totaled at 179Bcf and market expectations were at 181Bcf. The near miss likely had no major impacts on the pricing. Interestingly, calendar strips 23 only moved down 7 cents, while all strips further out did not budge. Most of the impacts for the recent runup have been tied to increases of cold that have impacted the majority of the country, but particularly northeastern states.

Bullish Factors

- Record high LNG exports
- Extremely high global gas markets
- High exports to Mexico

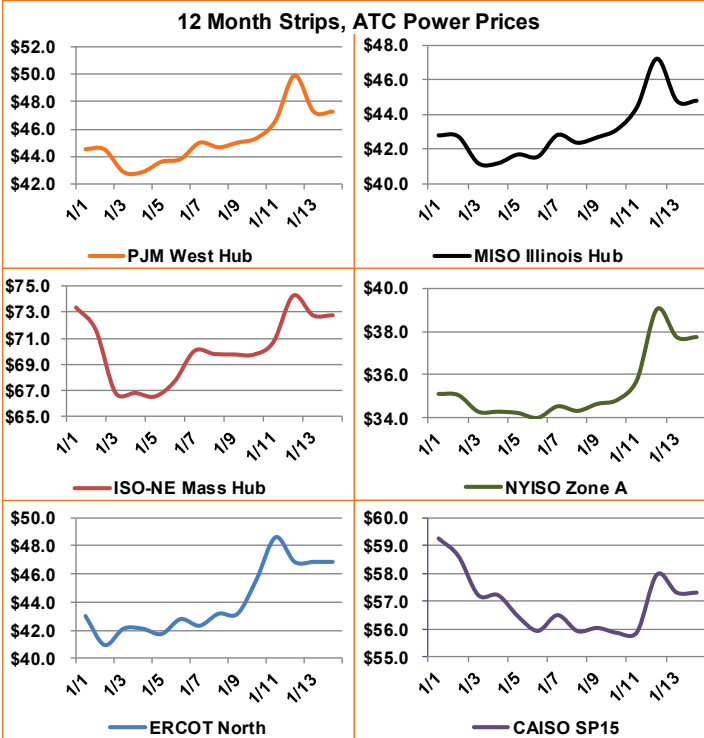
Bearish Factors

- Production nearing all-time high
- Flat industrial demand
- NG storage surplus



Next Day On-Peak Power (traded for 1/14/2022)

ISO-NE Mass Hub \$185.33	MISO Indiana Hub \$52.00	NYISO Zone G \$153.83
PJM West Hub \$62.61	ERCOT North \$30.25	CAISO SP15 \$50.00
NYMEX NG	Close	Change
Feb-22	4.270	-0.587
Mar-22	4.005	-0.322
12-Month	4.119	-0.206
Cal 23	3.544	-0.046
Cal 24	3.194	0.002



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,016	3,195	3,215	2,944
Diff v. Current		-179	-199	72
% Diff			-6.2%	2.4%

