

Early Morning Update

The Aug '22 natural gas contract is trading down \$0.29 at \$5.44. The Aug '22 crude oil contract is down \$0.33 at \$108.10.

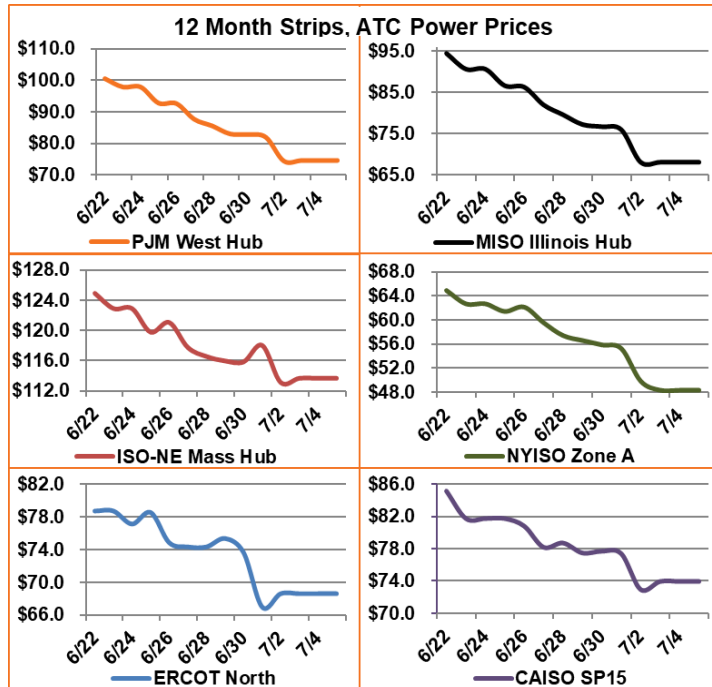
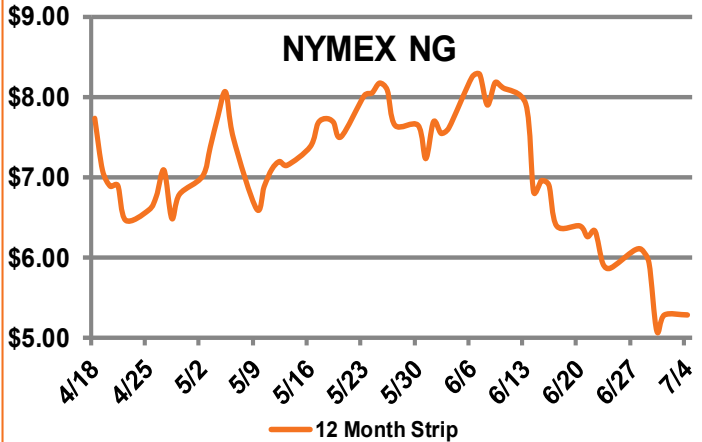
Summary: Before the extended weekend observing Independence Day, the natural gas markets regained some moderate ground that has been lost in the previous week of selling-off. The prompt month gained around 30 cents to settle at \$5.73, but most of the gains were concentrated in the near-term, as the market was nearly stagnant past March 2023. Weather forecasts prior to the weekend were showing some potential tropical threats in the gulf region, but those have mostly dissipated as of this week. Regional forecasts look to remain warm in the south-central/Texas region through next week, while the Midwest and East Coast look to cool off after the next few days, closer to normal. Production values continue to maintain a 5 Bcf/d increase over this time last year, but still remain below all-time highs, and essentially match the increase in demand for power burn vs. 2021.

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 7/5/2022)

ISO-NE Mass Hub \$64.50	MISO Indiana Hub \$120.00	NYISO Zone G \$84.36
PJM West Hub \$115.68	ERCOT North \$70.00	CAISO SP15 \$51.21

NYMEX NG	Close	Change
Aug-22	5.730	0.306
Sep-22	5.712	0.320
12-Month	5.284	0.198
Cal 23	4.762	0.068
Cal 24	4.384	-0.016

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,251	2,169	2,547	2,573
Diff v. Current		82	-296	-322
% Diff			-11.6%	-12.5%

