

Early Morning Update

The Aug '22 natural gas contract is trading up \$0.14 at \$5.66. The Aug '22 crude oil contract is up \$1.00 at \$100.50.

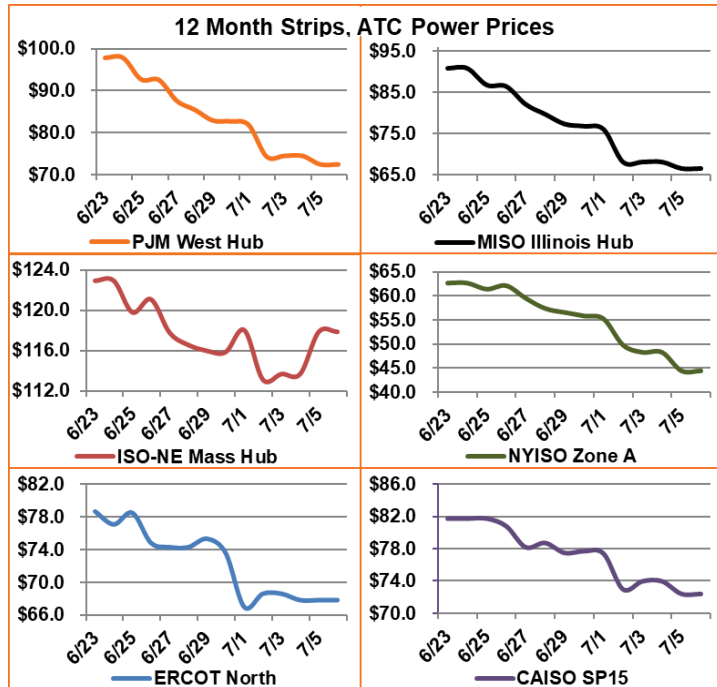
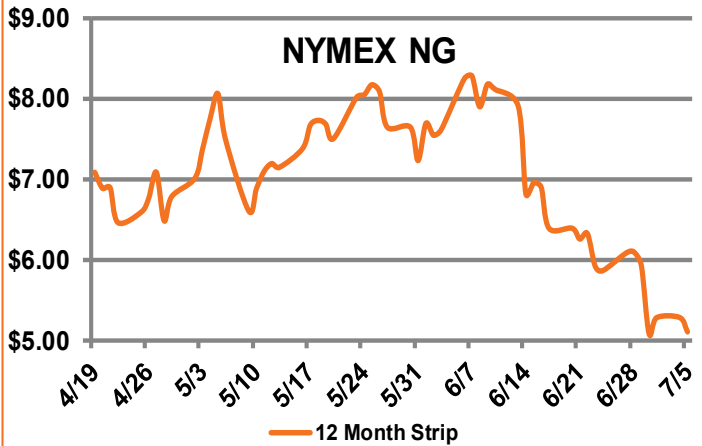
Summary: Yesterday continued the slide for natural gas as the August 2022 prompt month contract dropped another 20 cents to close at \$5.523/MMBtu. The strongest downward movement was in the September 2022 through January 2023 period, with each month dropping 22 to 23 cents, while the balance-of-the-year strip slid 22.7 cents. The near-term months also traded in a wide trading range, with the August contract as low as \$5.32 and as high as \$5.907 at one point prior to settling for the day. The 12-month strip followed suit and fell 17.6 cents, while the 2023 calendar strip moved 11.8 cents lower. Outside of the nearer strips, 2024 and 2025 gave up 10 and 12.7 cents, respectively, but, beyond there, all forward months shifted down a uniform 15 cents starting in March 2026. The low strip remains 2027, which is now sitting at \$4.064/MMBtu. On the supply and demand side, domestic natural gas production has held above 95 Bcf/d since Saturday, but demand has increased during that timeframe, as well, with power burn demand being the leading sector as warm temps remain through the midcon and southeastern regions.

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



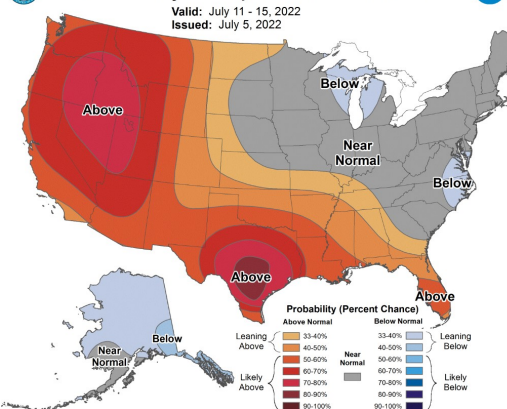
Next Day On-Peak Power (traded for 7/6/2022)

ISO-NE Mass Hub \$70.22	MISO Indiana Hub \$117.25	NYISO Zone G \$89.66
PJM West Hub \$120.43	ERCOT North \$68.75	CAISO SP15 \$56.08
NYMEX NG	Close	Change
Aug-22	5.523	-0.207
Sep-22	5.487	-0.225
12-Month	5.108	-0.176
Cal 23	4.644	-0.118
Cal 24	4.284	-0.099

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%

6-10 Day Temperature Outlook



8-14 Day Temperature Outlook

