

**Early Morning Update**

The Jul '22 natural gas contract is trading up \$0.02 at \$8.87. The Jul '22 crude oil contract is down \$0.97 at \$119.70.

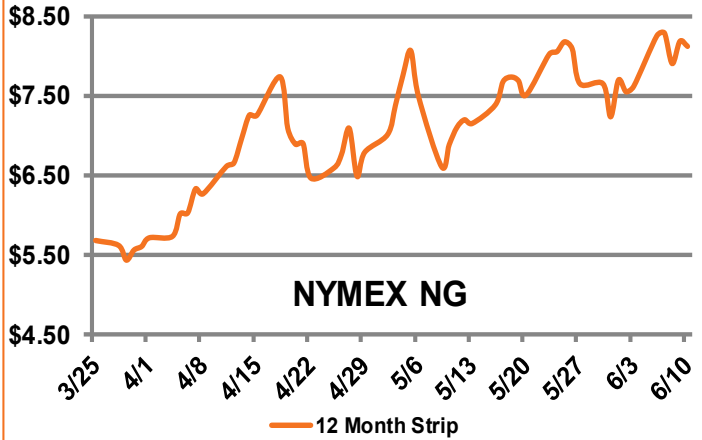
**Summary:** Over the weekend, total demand fell by 1.0 Bcf/d, making the total demand 89.5 today. The main driving factor was a 0.4 Bcf/d drop in industrial demand. Power burn, which peaked last week at 38.2 Bcf/d last Thursday, also dropped 3.0 Bcf/d over the weekend, before recovering to 37.1 Bcf/d today. The Northeast is responsible for the majority of the power burn recovery and is currently at 9.5 Bcf/d. The Southeast also saw a 0.6 Bcf/d increase in power burn, which took the region to a year-to-date high of 13.4 Bcf/d. The total res/comm demand stayed at a flat 12 Bcf/d this weekend. Both the Northeast and Northwest regions saw 0.2 Bcf/d gains in res/comm demand, but it was offset by a 0.4 Bcf/d loss in the Midcon region. Production saw a slight 0.3 Bcf/d gain over the weekend, which brought production back up to the 95 Bcf/d level. Exports to Mexico saw a 0.3 Bcf/d decrease, as well, and total LNG exports held at 10.8 Bcf/d. Current weather projections show warmer weather across the Midcontinent and pushing into the eastern markets, with cooler-than-normal temperatures out west, a welcomed, but temporary respite from the heat. Although the July '22 lost \$0.11 on Friday, settling at 8.85/MMBtu, it is still up \$0.33 week-over week and \$1.11 higher than it was one month ago.

**Bullish Factors**

- Stagnant natural gas production
- High oil and global gas prices
- Western drought and continued heat

**More Bullish Factors**

- Large natural gas storage deficit
- LNG exports close to max
- Warmer-than-normal summer forecast



**Next Day On-Peak Power (traded for 6/13/2022)**

ISO-NE Mass Hub \$80.09	MISO Indiana Hub \$115.57	NYISO Zone G \$98.49
PJM West Hub \$124.61	ERCOT North \$81.45	CAISO SP15 \$67.79
NYMEX NG		Change
Jul-22	8.850	-0.113
Aug-22	8.867	-0.111
12-Month	8.113	-0.063
Cal 23	6.718	0.014
Cal 24	5.362	0.030

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,999	1,902	2,397	2,339
Diff v. Current		97	-398	-340
% Diff			-16.6%	-14.5%

