

**Early Morning Update**

The Jul '22 natural gas contract is trading down \$0.15 at \$7.31. The Jul '22 crude oil contract is down \$0.90 at \$116.69.

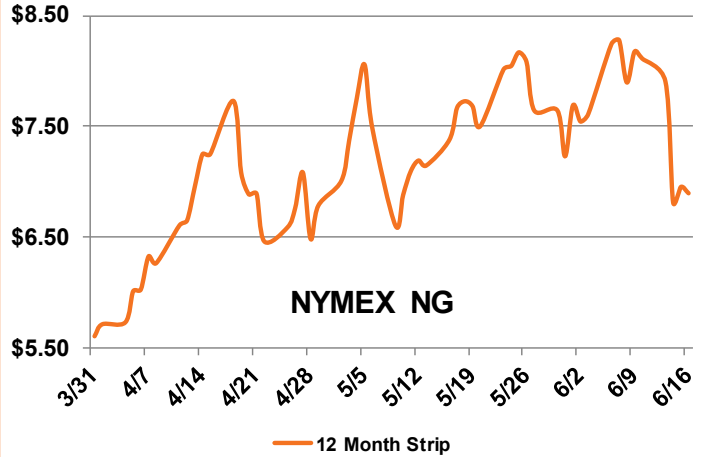
**Summary:** What a week. The NYMEX market has rarely been more volatile than the recent trade history. The July 2022 prompt month contract has settled today at \$7.464/MMBtu. In the last week, it has traded as high as \$9.15/MMBtu and as low as \$7.008/MMBtu. Impacts to available supply are the major fundamental reasons for the wild movement. The Houston located Freeport LNG facility suffered a supposedly minor fire that led to the demand of feedgas being reduced by about 2Bcf/d. Initial reports called for a return of the facility after being offline for only three weeks, but this has been usurped and replaced with a forecast that says the LNG Terminal will remain offline until later in 2022. This has allowed for the feedgas to be funneled to other demand sectors, including storage and to other demand sectors like power burn. Speaking of power burn, the recent heat that has been scorching much of the nation has pushed the demand for power to very high levels for June. Power burn demand peaked yesterday at 45.1Bcf, about 10Bcf higher than the current June average leading up to this week.

**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

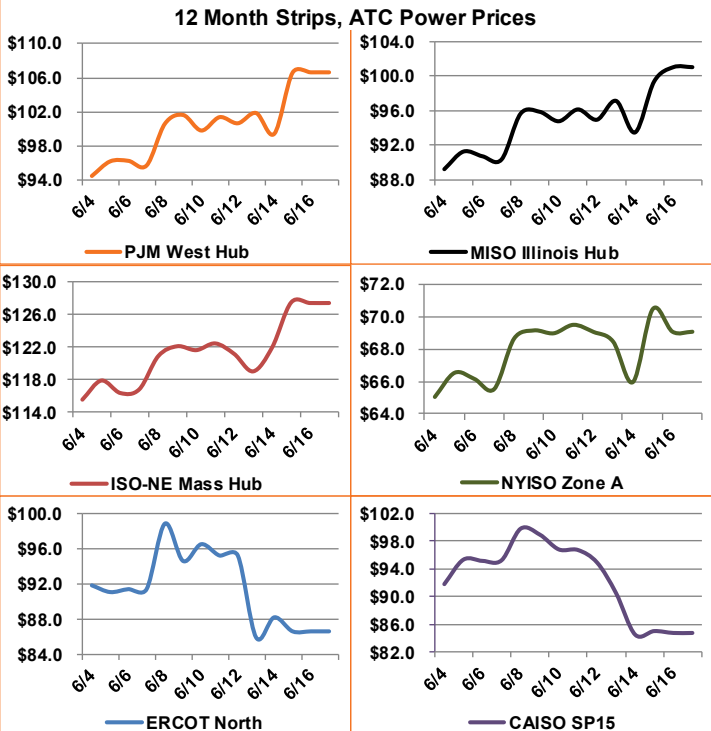


**Next Day On-Peak Power (traded for 6/17/2022)**

ISO-NE Mass Hub \$89.82	MISO Indiana Hub \$168.50	NYISO Zone G \$111.63
PJM West Hub \$189.35	ERCOT North \$99.90	CAISO SP15 \$45.21

NYMEX NG	Close	Change
Jul-22	7.464	0.044
Aug-22	7.438	0.032
12-Month	6.897	-0.057
Cal 23	5.939	-0.176
Cal 24	5.085	-0.107



**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,095	2,003	2,425	2,418
Diff v. Current		92	-330	-323
% Diff			-13.6%	-13.4%

