

**Early Morning Update**

The Jul '22 natural gas contract is trading down \$0.21 at \$6.60. The Jul '22 crude oil contract is down \$6.92 at \$102.60.

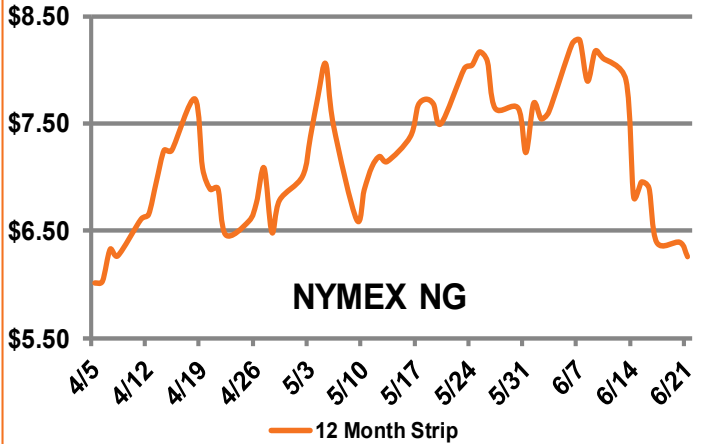
**Summary:** The bulls are taking a slight hiatus following an extremely volatile trading week due to the heat last week. Temperatures for the East Coast seem to have moderated quite a bit to end June, a much-needed break. Last week, the Southeast saw record-setting demand due to the jump start in summer temps. Yesterday, the natural gas prompt month softened once again, dipping 13.6 cents on the day to settle at \$6.808/MMBtu, down almost \$2.50 versus just two weeks ago when fears of the market creeping up toward \$10 was a possibility. This market remains tightly correlated to weather, and, unfortunately, it doesn't seem like Texas will see any relief soon as the state continues to see record-high demand with the lingering heat putting pressure on the system. U.S. dry production has been fairly steady over the past week, averaging right around 94.5 Bcf/d, still below the year-to-date peak over 95 Bcf/d reached just a few weeks ago. Due to Freeport LNG maintenance, which is expected to last until about mid-September, LNG exports remain lower, averaging just 10.6 Bcf/d over the past week. Tomorrow, the EIA is expected to report a 70 Bcf build into storage, which would be much lower than the five-year average benchmark of 82 Bcf for the week, once again widening the storage deficit.

**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



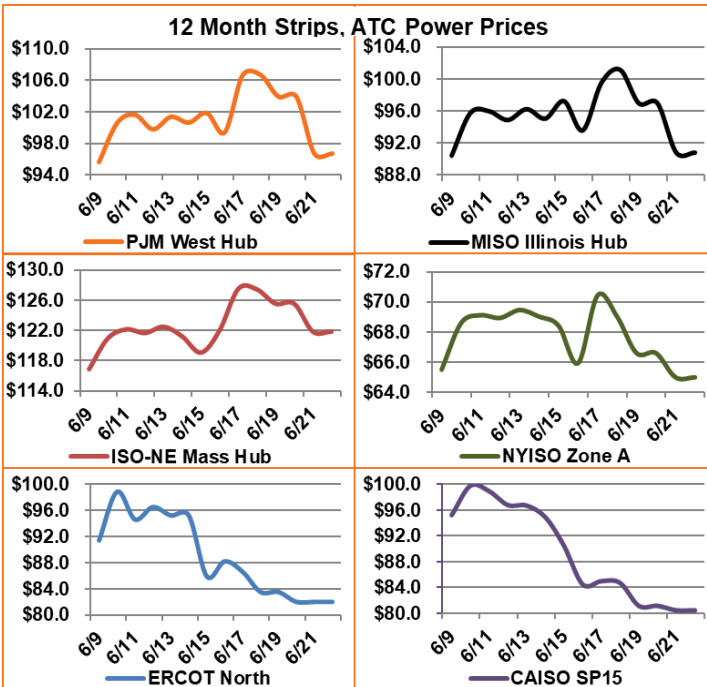
**Next Day On-Peak Power (traded for 6/22/2022)**

ISO-NE Mass Hub \$63.44	MISO Indiana Hub \$137.67	NYISO Zone G \$78.31
PJM West Hub \$130.26	ERCOT North \$142.55	CAISO SP15 \$81.19

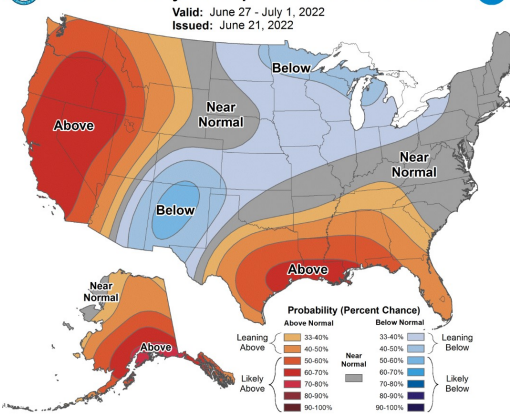
NYMEX NG	Close	Change
Jul-22	6.808	-0.136
Aug-22	6.783	-0.123
12-Month	6.258	-0.133
Cal 23	5.350	-0.140
Cal 24	4.762	-0.040

**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%



**6-10 Day Temperature Outlook**



**8-14 Day Temperature Outlook**

