

Early Morning Update

The Jul '22 natural gas contract is trading down \$0.14 at \$6.72. The Aug '22 crude oil contract is up \$0.21 at \$106.40.

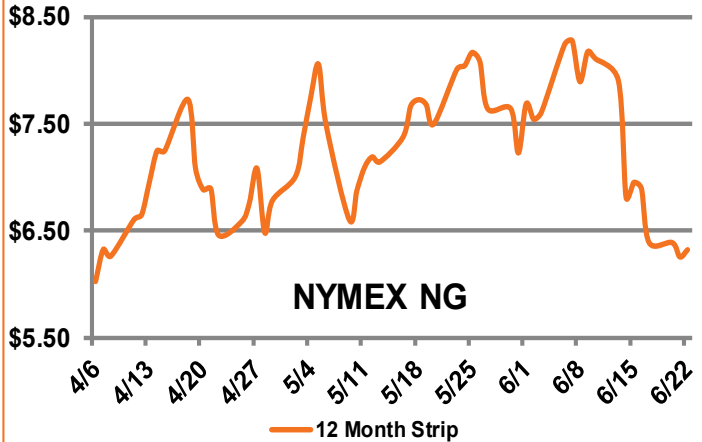
Summary: There was weaker volatility in the NYMEX natural gas market day-over-day as prices rose slightly, with the July '22 contract settling at \$6.858/MMBtu, up a nickel. Despite the gains seen yesterday, the prompt is still down almost nine cents since the long weekend's high of \$6.944/MMBtu. Calendar strips 2023-2034 saw slight gains, as well, as all strips increased 0.03-\$0.05/MMBtu by the close of yesterday's trading session. The continued volatility can be attributed mostly to changing weather forecasts for the next few weeks. Cooler-than-expected temperatures in the Northeast and Midcontinent regions resulted in power burn demand for natural gas to fall 2.2 Bcf/d day-on-day. Supply went unchanged as domestic production decreases were offset by Canadian imports. Bentek estimates a bearish storage injection of 56 Bcf for the week ended June 17, which is significantly lower than the prior week's build of 92 Bcf, as well as the 82 Bcf five-year average injection. Temperatures will remain elevated in the West and Texas to close out June, while the Midwest and East are expected to cool off. Weather forecasts for the start of July point to hotter-than-normal temperatures through the Rockies and the Southeast.

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 6/23/2022)

ISO-NE Mass Hub \$58.95	MISO Indiana Hub \$95.88	NYISO Zone G \$66.01
PJM West Hub \$88.22	ERCOT North \$224.03	CAISO SP15 \$81.12

NYMEX NG	Close	Change
Jul-22	6.858	0.050
Aug-22	6.872	0.089
12-Month	6.325	0.067
Cal 23	5.390	0.040
Cal 24	4.790	0.027

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%

