

Early Morning Update

The Jul '22 natural gas contract is trading up \$0.10 at \$6.60. The Aug '22 crude oil contract is up \$1.73 at \$111.30.

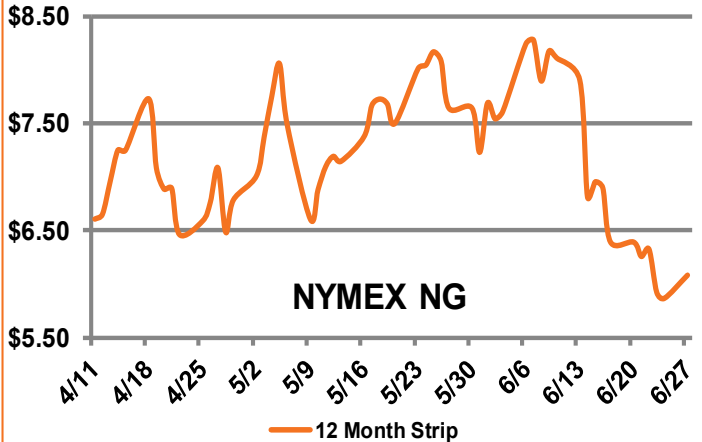
Summary: Today marks the last day of trading for the July 2022 NYMEX natural gas contract before August debuts as the latest prompt-month contract. Yesterday, the July 2022 contract started the week off strong, trading up 28 cents before finally settling at \$6.501. The calendar strips also ended the day on an up note, with calendar year 2023 leading the charge, settling nine cents higher at \$5.211. Calendar years 2024 and 2025 also settled higher, up 3.2 and 4.0 cents, respectively, while calendar years 2026 through 2030 all settled higher by 4.2 cents. Power burn has started to ease for the start of this week, mostly lead by the Northeast and Southeast as temperatures moderate. However, power burns are expected to pick right back up later this week as temperatures increase, yet again. So far, year-to-date power burn is up 1.3 Bcf/day versus this time last year, while month-to-date is up 2.3 Bcf/day, as well, or 6% versus June 2021. While LNG exports are averaging 11.2 Bcf/day this month, up 1.2 Bcf/day versus last year, the 2.0 Bcf/day Freeport LNG facility remains closed for repairs. Thus, the increase in power burn demand is offsetting the Freeport facility. Power burns are screaming in the Southeast region of the U.S., up 2.2 Bcf/day so far this month, which is a 20% gain versus June 2021.

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

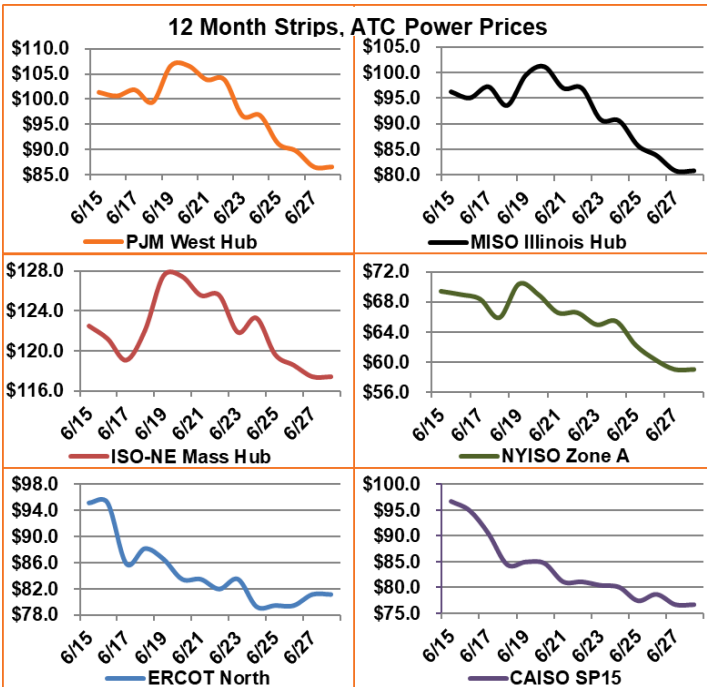


Next Day On-Peak Power (traded for 6/28/2022)

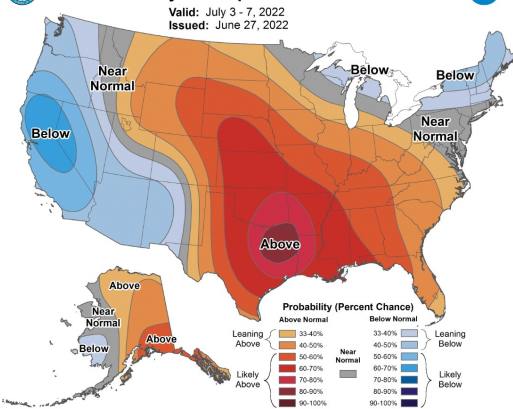
ISO-NE Mass Hub \$63.91	MISO Indiana Hub \$75.96	NYISO Zone G \$65.02	
PJM West Hub \$75.04	ERCOT North \$82.01	CAISO SP15 \$84.27	
NYMEX NG		Close	Change
Jul-22	6.501	0.281	
Aug-22	6.546	0.265	
12-Month	6.083	0.216	
Cal 23	5.211	0.091	
Cal 24	4.652	0.032	

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,169	2,095	2,474	2,500
Diff v. Current		74	-305	-331
% Diff			-12.3%	-13.2%



6-10 Day Temperature Outlook



8-14 Day Temperature Outlook

