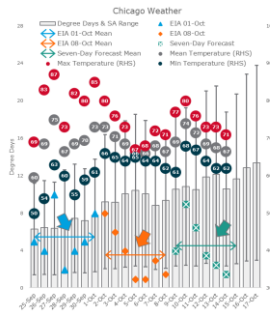


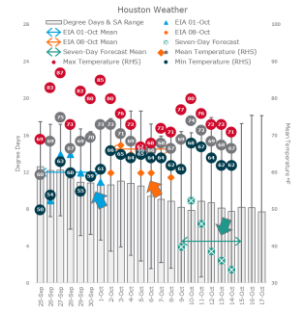


| EIA Weekly Natural Gas Status Report | | | | |
|--------------------------------------|------------|--------------------------|------------|---------|
| Storage Δ (Bcf) | EIA 24-Sep | Seasonally Adjusted Norm | EIA 01-Oct | Bias |
| L48 | 88 | 82 ± 23 | 118 | Bearish |
| South Central | 23 | 22 ± 5 | 41 | Bearish |
| Salt | 11 | 9 ± 0 | 20 | Bearish |
| Nonsalt | 12 | 13 ± 0 | 21 | Bearish |
| Midwest | 30 | 33 ± 12 | 37 | Neutral |
| East | 28 | 25 ± 9 | 31 | Neutral |
| Mountain | 5 | 4 ± 1 | 5 | Neutral |
| Pacific | 3 | 2 ± 0 | 5 | Bearish |

NOAA Outlook



Chicago 7-Day Forecast



Houston 7-Day Forecast

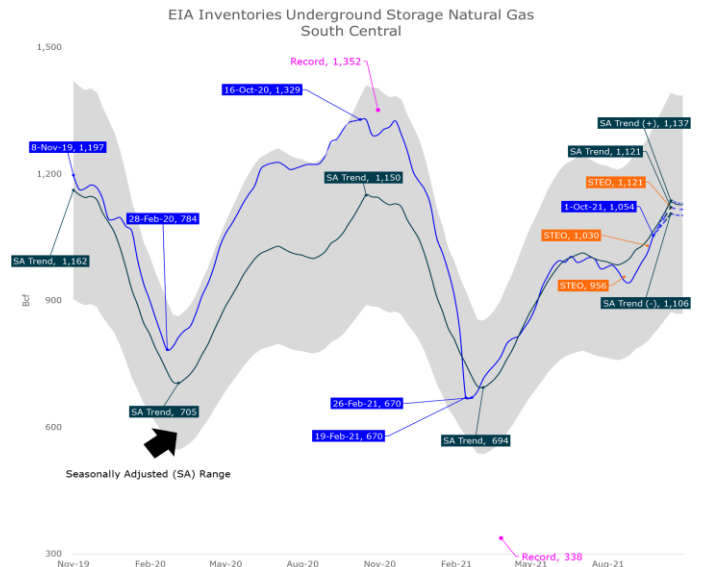
Omnium Gatherum

PRICES WERE STRONG YESTERDAY... Spot Henry Hub gas futures shrugged off a record injection in the weekly EIA report. The contract bottomed in morning trading within 1.9 cents of our \$5.374/MMBtu initial support for the day. In a post-EIA rebound, the contract rallied to a \$5.835/MMBtu high print and settled at \$5.677/MMBtu. Daily volatility was 84.82% which equates to an approximate one standard deviation daily price change of \$0.301/MMBtu! November WTI bottomed 7 cents below our \$75.03/b second daily support, rallied to a \$78.89/b high print and finished on strong bid at \$78.30/b.

Natural Gas Review

Yesterday, the EIA reported a record injection for the week of 118 Bcf of natural gas into L48 underground storage. Stocks rose to 3.288 Tcf for the week ended October 01st. The report came in solidly above the consensus which ranged from a 104 Bcf mean on the Bloomberg survey to a 111 Bcf mean on the Platts' survey. We were at 110 Bcf.

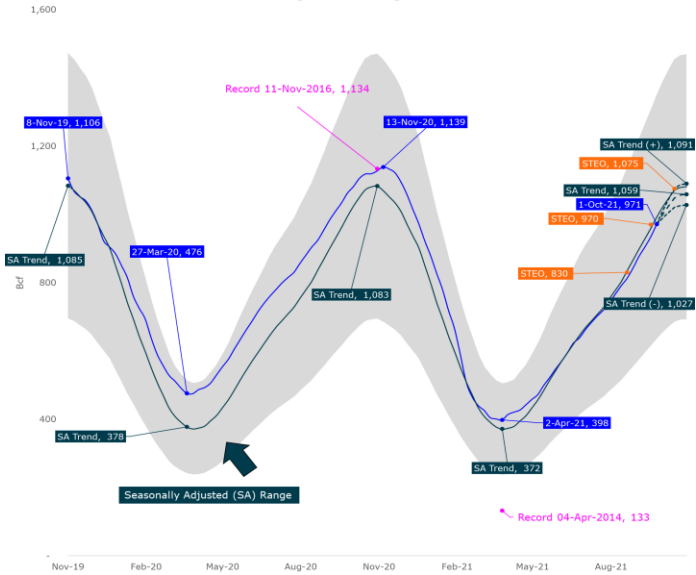
Note Bene: DTN: "... the U.S. Department of Energy said it was not planning to release crude from its emergency reserves or ban exports of crude oil to rein in surging fuel prices. Thursday's statement contradicted comments made by U.S. Secretary Jennifer Granholm on Wednesday who said the federal government has several tools to cool off rallying energy prices, including a potential release of oil from strategic petroleum reserves and an export ban".



Storage in the Salts rose by a heavy 20 Bcf, the largest week-over-week injection since last March. Inventories are up to 259 Bcf. Over the last three weeks, the deficit to the seasonally adjusted time series was cut by four-fifths from a **seven-month** high of 15.1% (37 Bcf) to 2.9% (8 Bcf). This summer's delivery—which we dub the *Wimpy Phase* of the season—summed a mammoth 94 Bcf which is 58% above normal. Over the last four weeks, utilities have repaid 54% of this *borrowed* gas.

In the Nonsalt Region, a sizable 21 Bcf was injected. Storage rose to 795 Bcf. The deficit to the seasonally adjusted trend was slashed by two-thirds to 0.5% (4 Bcf). All told, a beefy 41 Bcf was injected into the South Central market area. This season's hitherto refill improved to 384 Bcf, 58 Bcf (18%) above the five-year mean and 13 Bcf (4%) above the seasonally adjusted time series.

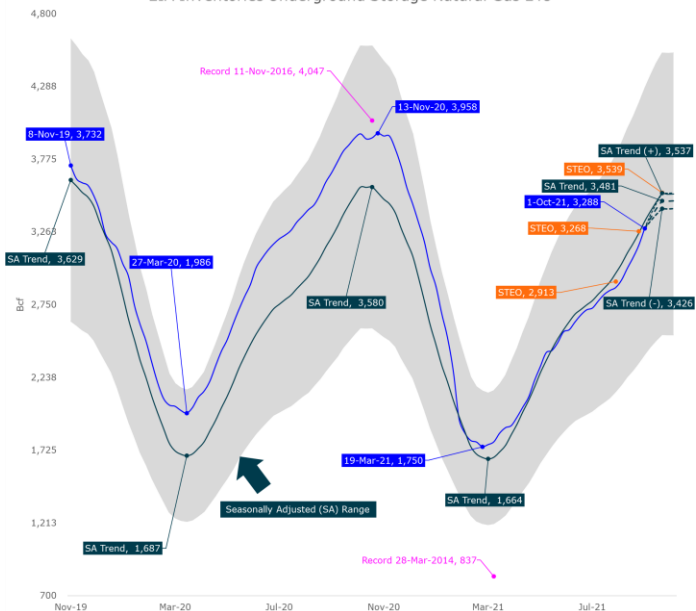
EIA Inventories Underground Storage Natural Gas Midwest



Storage in the Midwest reported a strong 37 Bcf injection. Inventories rose to 971 Bcf and the deficit to the seasonally adjusted time series narrowed by 52 basis points to a six-week low of 2.25% (22 Bcf). This season's hitherto refill of 573 Bcf is running 19 Bcf (3%) below the five-year mean and 49 Bcf (8%) below the seasonal trend. Storage is on track to enter winter at 1.059 Tcf, 1.5% below the EIA's forecast of 1.075 Tcf.

Storage in the East rose by a large 31 Bcf to 810 Bcf. The deficit to the seasonally adjusted trendline improved by 92 basis points to a **five-month low** of 4.9% (42 Bcf). The season-to-date refill is up to 505 Bcf which is 47 Bcf (9%) below the five-year average and 59 Bcf (10%) below the historical time series. The market is on pace to enter winter at 854 Bcf or 12 Bcf (1.4%) below the EIA's forecast of 866 Bcf.

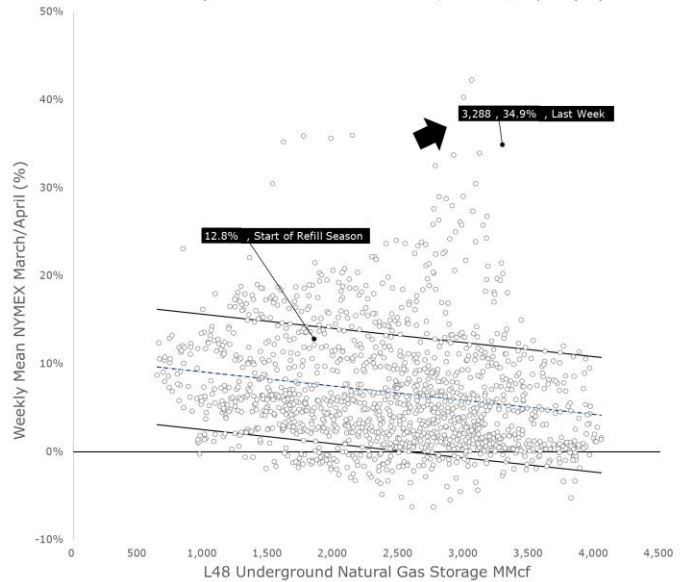
EIA Inventories Underground Storage Natural Gas L48



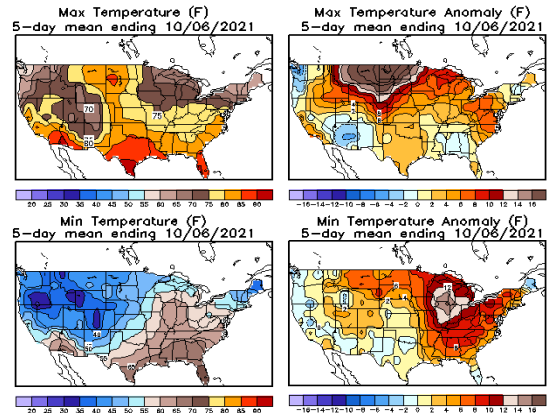
Bottom Line

We are more than four-fifths of the way through this refill season, and the market has now replaced 70% of the gas delivered last winter. As such, this season's refill is vying for a record low addition.

Storage Demand L48 Underground Natural Gas Storage NYMEX Henry Hub Natural Gas Futures, March / April (%)



The end-of-season Mar-2022/Apr-2022 is baking a lot of concern regarding supplies for this winter. Since the start of refills, the premium for March to April has nearly tripled to 34.9%. Through the first four sessions of this week, the premium is averaging 38.01%.



Source: NOAA

Demand for weather Btus is generally modest this week throughout the L48. The typical injection for next Thursday's report is 73 Bcf with another large variance of ± 21 Bcf. The early consensus forecast is calling for another large injection on the upper cusp of the seasonal variance in the low 90s Bcf. Given this outlook, the probability of finishing above the EIA's end-of-season forecast of 3.539 Tcf increased from 80% (odds of 1:4) to 88% (odds of 1:7). Our 50/50 line on end-of-season storage increased from 3.620 Tcf to 3.630 Tcf. There is still a chance, albeit a slight chance of 11% (odds of 8:1) of topping the five-year mean of 3.757 Tcf.