

Early Morning Update:

The Jul18 natural gas contract is trading up \$0.05 at \$2.94. The Jul18 crude contract is down \$0.64 at \$65.10.

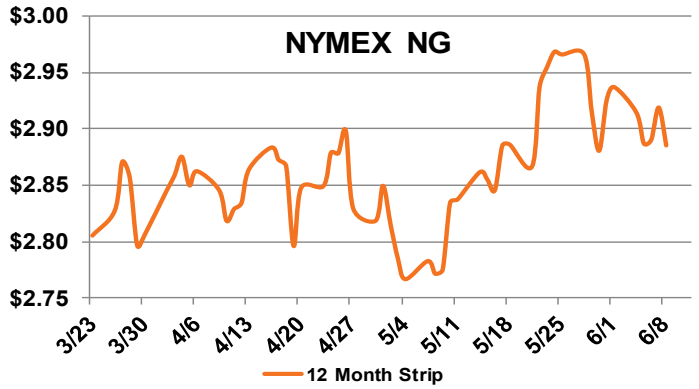
Summary: On Friday, the July 2018 NYMEX natural gas futures contract dipped lower by four cents on the day to settle at \$2.890/MMBtu. Throughout the day, the prompt month saw some volatility, and was rangebound between \$2.875/MMBtu and \$2.936/MMBtu before ultimately settling down due to a lack of bullish fundamentals. Moderating weather forecasts provided downward pressure to near-term pricing, as demand for natural gas had also weakened in the power generation and ResComm sectors. This relief in demand could be short-lived, as weather forecasts warm over the next couple of weeks, with the majority of the heat contained in the Midwest and western portions of the country. Friday, U.S. production remained strong at 78.6 Bcf/d, but could be disrupted due to a pipeline blast which occurred on June 7th, and caused a force majeure on the TCO line.

Bullish Factors

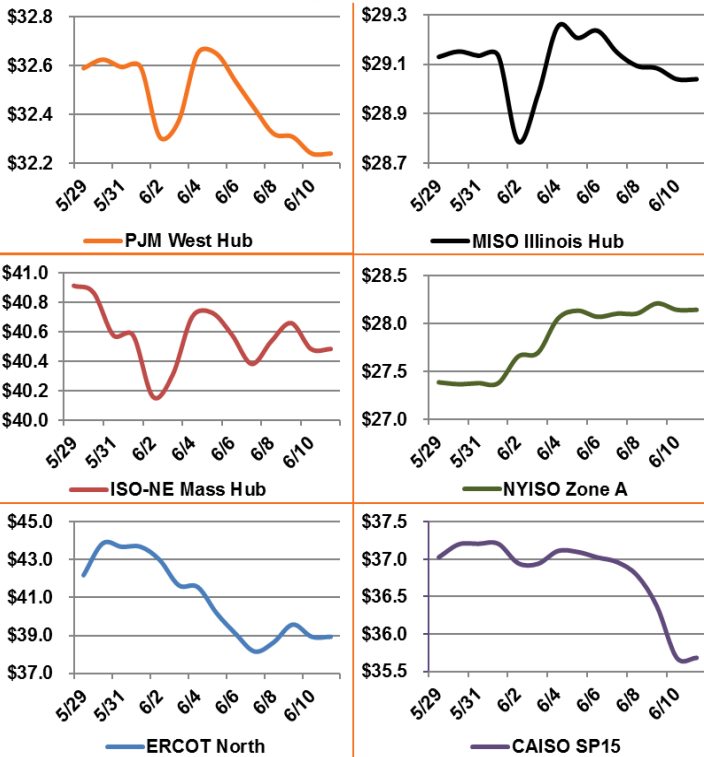
- High power burns
- LNG exports ramping up
- Warmer-than-normal weather

Bearish Factors

- Strong NG production
- Growing renewable energy generation
-



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 6/11/2018)

ISO-NE Mass Hub \$27.15	MISO Indiana Hub \$35.78	NYISO Zone G \$29.20
PJM West Hub \$27.15	ERCOT North \$39.80	CAISO SP15 \$36.19
NYMEX NG	Close	Change
Jul-18	2.890	-0.040
Aug-18	2.894	-0.045
12 Month	2.886	-0.034
Cal 19	2.775	-0.019
Cal 20	2.675	-0.009

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,817	1,725	2,616	2,329
Diff v. Current		92	-799	-512
% Diff			-30.5%	-22.0%

