

**Early Morning Update:**

The Jul18 natural gas contract is trading flat to yesterday's close at \$2.96. The Jul18 crude contract is up \$0.36 at \$67.00.

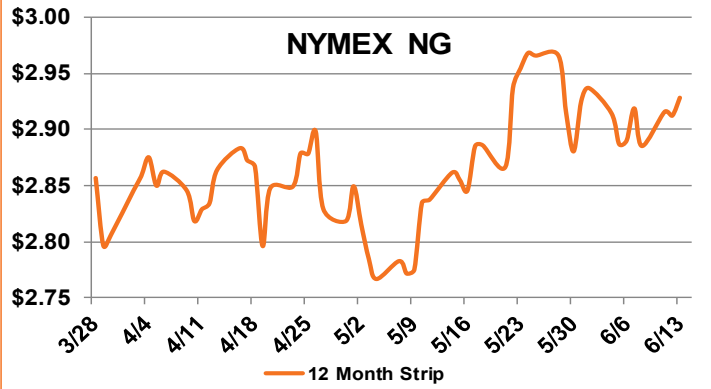
**Summary:** Prompt month natural gas prices rose again yesterday on warmer weather outlooks and an anticipated lower-than-average growth in storage inventories. The July NYMEX contract climbed 2.4 cents on Wednesday, settling at \$2.963/MMBtu. The National Weather Service is forecasting warmer-than-normal temperatures across most of the country for the next two weeks, with only the Southeast and the Rocky Mountains seeing slightly below-normal temps. Overall gas demand will remain elevated with the hot weather, which should, in turn, keep prices buoyed near the top of their recent trading range. A survey of market analysts show estimates for the weekly storage build to be reported this morning by the U.S. Energy Information Administration ranging from 81 to 95 Bcf, with a consensus at 88 Bcf. This would be a little smaller than the 91 Bcf five-year average injection. Storage stockpiles currently sit at 1,817 Bcf, and a build at consensus would increase the deficit to the five-year average to 515 Bcf, while trimming the deficit to last year for the same week to 793 Bcf.

**Bullish Factors**

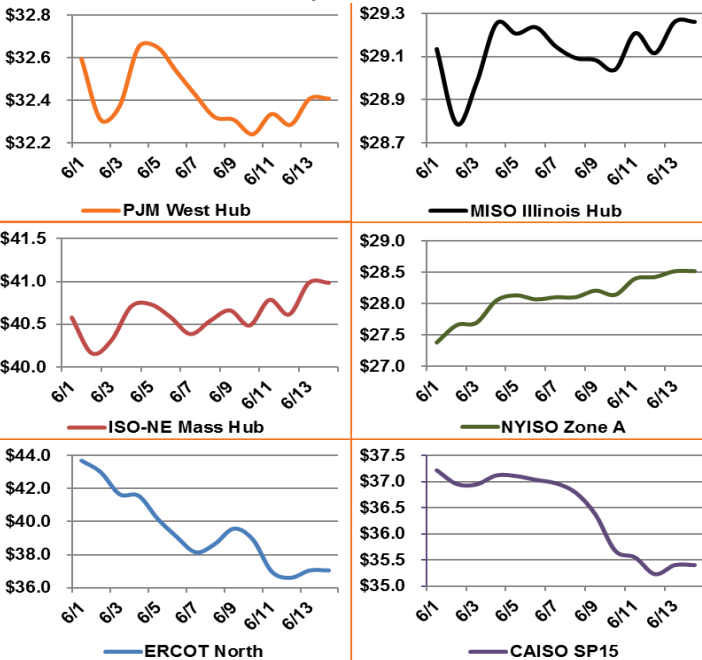
- High power burns
- LNG exports ramping up
- Warmer-than-normal weather

**Bearish Factors**

- Strong NG production
- Growing renewable energy generation
- 



**12 Month Strips, ATC Power Prices**

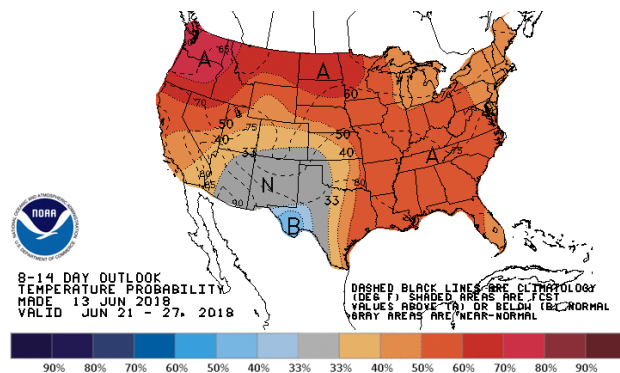
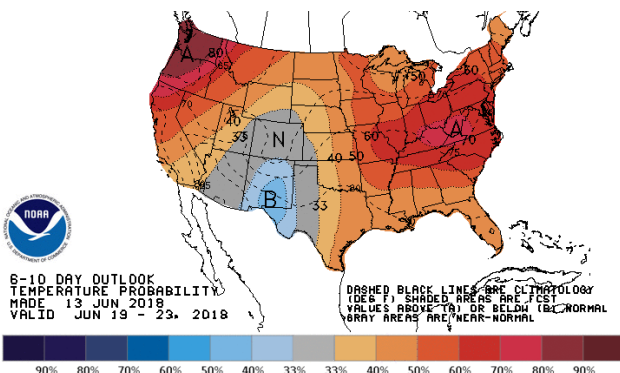


**Next Day On-Peak Power (traded for 6/14/2018)**

ISO-NE Mass Hub \$28.50	MISO Indiana Hub \$34.11	NYISO Zone G \$30.59
PJM West Hub \$34.90	ERCOT North \$33.00	CAISO SP15 \$37.69
NYMEX NG		Change
Jul-18	2.963	0.024
Aug-18	2.948	0.019
12 Month	2.929	0.016
Cal 19	2.804	0.009
Cal 20	2.695	0.002

**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%



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