

**Early Morning Update:**

The Jul18 natural gas contract is trading down \$0.04 at \$2.98. The Jul18 crude contract is up \$0.24 at \$65.30.

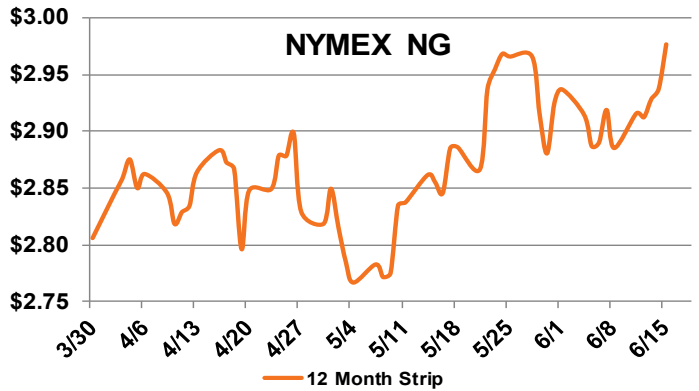
**Summary:** The NYMEX July natural gas contract picked up steam on Friday, breaking through the \$3.00 ceiling that's held since the end of January. The prompt month closed out last week at \$3.022/MMBtu, up 5.7 cents on the day, as hot weather in both the East and West is expected to keep demand for gas elevated and stymie storage building. The price surge on Friday caught the market off guard, as hot weather had already settled in across much of the country last week, and the storage injection reported by the U.S. Energy Information Administration on Thursday was much larger than expected. U.S. dry production has averaged 77.7 Bcf/d over the past six days, but is projected to be 1.0 Bcf/d higher today at 78.7 Bcf/d. Production in the Northeast hit an all-time high over the weekend at 27.9 Bcf/d. Despite an outage on TCO's Leach Xpress pipeline, production has increased 700 MMcf/d since last Wednesday. Leach came back on Thursday with partial service, with production on that portion of the Columbia Gas pipeline adding 216 MMcf/d, helping push up the overall total.

**Bullish Factors**

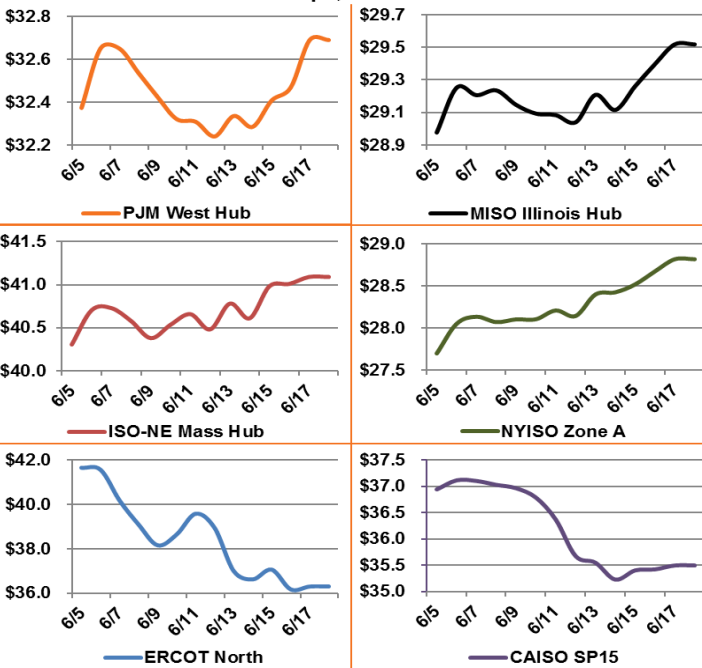
- High power burns
- LNG exports ramping up
- Warmer-than-normal weather

**Bearish Factors**

- Strong NG production
- Growing renewable energy generation
- 



**12 Month Strips, ATC Power Prices**

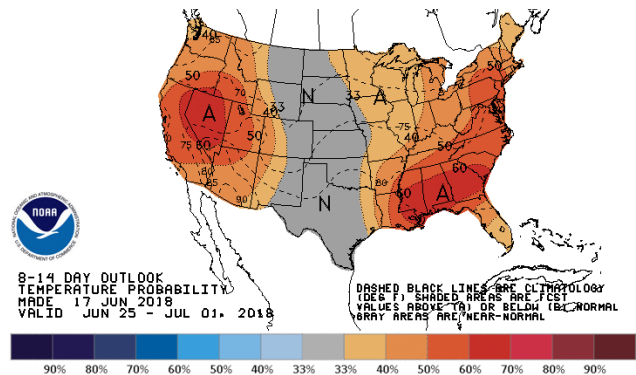
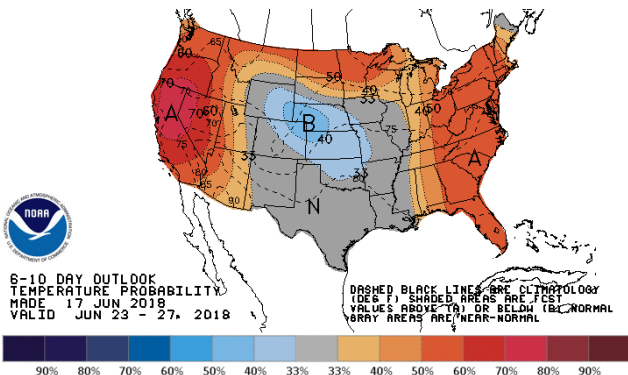


**Next Day On-Peak Power (traded for 6/18/2018)**

ISO-NE Mass Hub \$60.13	MISO Indiana Hub \$68.13	NYISO Zone G \$55.87
PJM West Hub \$72.76	ERCOT North \$34.69	CAISO SP15 \$27.82
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Jul-18	3.022	0.057
Aug-18	3.015	0.057
12 Month	2.977	0.039
Cal 19	2.832	0.022
Cal 20	2.682	0.000

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	1,913	1,817	2,698	2,420
Diff v. Current		96	-785	-507
% Diff			-29.1%	-21.0%



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