

**Early Morning Update:**

The Jul17 natural gas contract is trading down \$0.15 at \$2.89.  
The Jul17 crude contract is up \$0.06 at \$44.80.

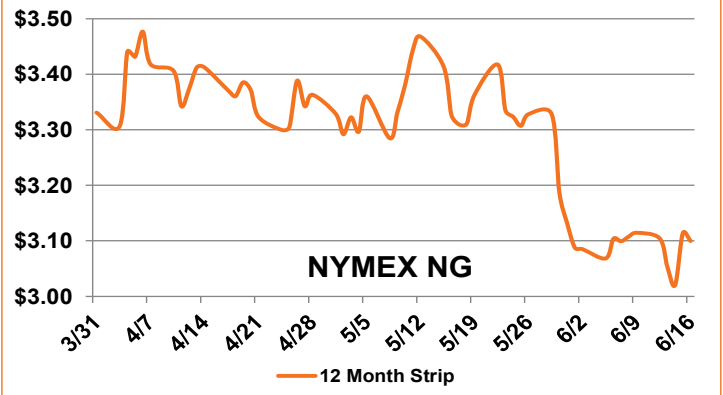
**Summary:** Last week, NYMEX natural gas prices for July closed at a loss for the fourth consecutive week, settling 1.9 cents down on the day at \$3.037/MMBtu. Friday's lower settlement price followed Thursday's gain of 12.3 cents, which was the highest price spike seen this year. Bullish fundamentals have sparked fears of oversupply in the market, along with the question of whether the heat this summer will be enough to drive demand to a level that will potentially cause the opposite effect by putting additional stress on supply. Over the past couple of weeks, the market has seen a slight uptick in production. Over the weekend, natural gas production averaged 72.0 Bcf/d, getting us out of the 70-71 Bcf/d range we had been seeing the past few months. Prices have been very sensitive to weather forecasts, with the market focusing on how much cooling demand we'll see from air conditioning load. For this week, weather forecasts are still showing much-above-normal temperatures in the West, with some mild temperatures creeping in for mainly Mid-continent in the 6-10 day forecast. Much of the above-normal temperatures are seen in the southern and western states, while the Northeast is expected to experience mostly normal temperatures.

**Bullish Factors**

- Stagnant production
- Exports to Mexico at record high
- Growing LNG exports

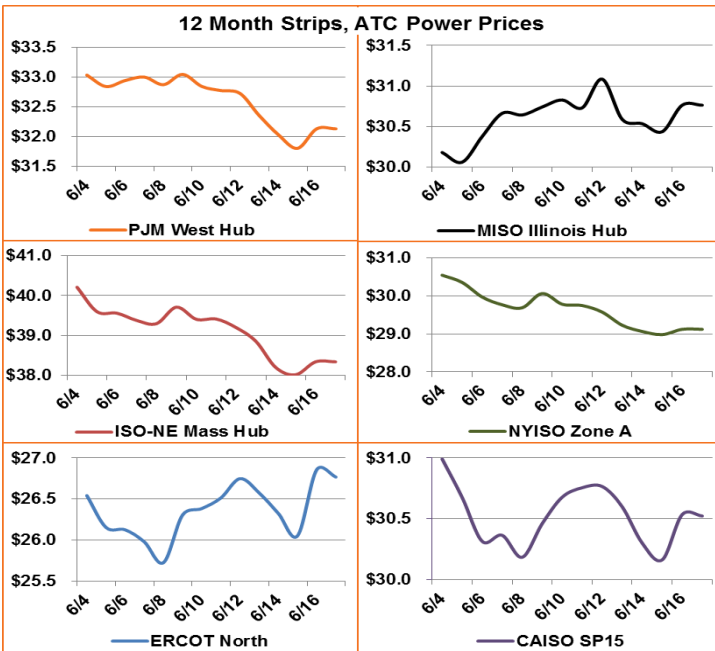
**Bearish Factors**

- Power burn down year-over-year
- Increased renewable energy generation
- Producer hedging



**Next Day On-Peak Power (traded for 6/19/2017)**

<b>ISO-NE Mass Hub</b> \$34.21	<b>MISO Indiana Hub</b> \$32.70 6/17/17	<b>NYISO Zone G</b> \$40.00
<b>PJM West Hub</b> \$31.42	<b>ERCOT North</b> \$30.98 6/17/17	<b>CAISO SP15</b> \$52.43
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Jul-17	3.037	-0.019
Aug-17	3.060	-0.018
12 Month	3.100	-0.014
Cal 18	3.018	-0.014
Cal 19	2.863	-0.011



**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	2,709	2,631	3,031	2,481
<b>Diff v. Current</b>		78	-322	228
<b>% Diff</b>			-10.6%	9.2%

