

Early Morning Update:

The Jul18 natural gas contract is trading down \$0.04 at \$2.91. The Jul18 crude contract is down \$1.05 at \$64.80.

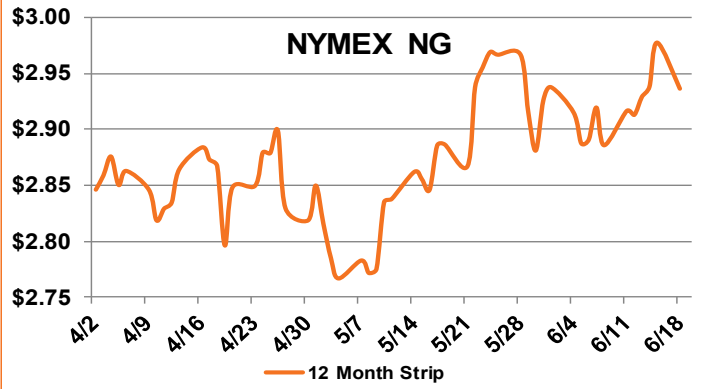
Summary: Natural gas slid on Monday, losing steam on cooling temperatures and plateauing demand. The prompt month lost seven cents to \$2.951, the 12-month strip dropped four cents to \$2.936, 2019 went down by 1.6 cents to \$2.816, and 2020 lost less than a cent to \$2.679. 2021 hit a new all-time low of \$2.64. After Monday's wide-spread heat across the Midwest and Mid-Atlantic, temperatures look to make some downward movement for the next two weeks, staying just slightly above normal for the West Coast, but relatively moderate for the rest of the country. These more typical temperatures are expected to allow demand to stay relatively steady, with forecasts in the 66-67 Bcf/d range through the end of the month. While this is still slightly higher than 2017 demand, production is looking to increase, particularly in the Northeast. Appalachian gas production has already hit its highest monthly average production on record in June, at 27.5 Bcf/d so far, and the region's uncompleted well count reached its lowest levels on record back in May.

Bullish Factors

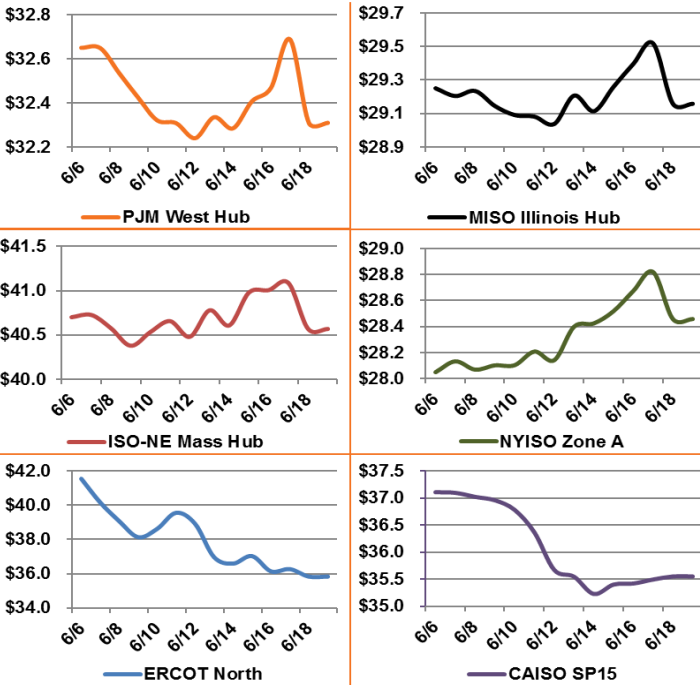
- High power burns
- LNG exports ramping up
- Warmer-than-normal weather

Bearish Factors

- Strong NG production
- Growing renewable energy generation
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12 Month Strips, ATC Power Prices

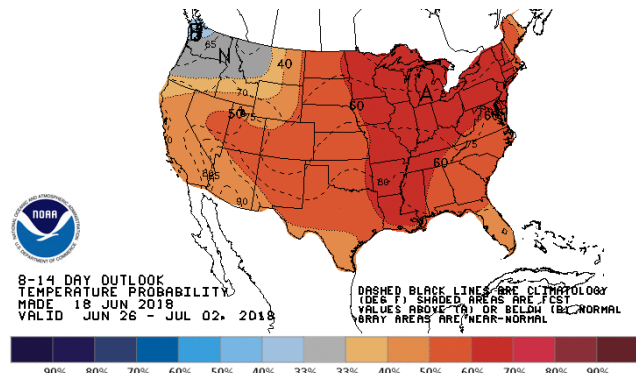
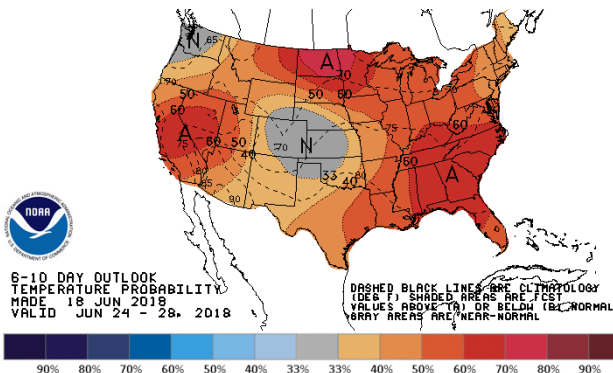


Next Day On-Peak Power (traded for 6/19/2018)

ISO-NE Mass Hub \$36.44	MISO Indiana Hub \$40.25	NYISO Zone G \$44.72
PJM West Hub \$48.98	ERCOT North \$29.90	CAISO SP15 \$33.79
NYMEX NG	Close	Change
Jul-18	2.951	-0.071
Aug-18	2.951	-0.064
12 Month	2.936	-0.041
Cal 19	2.816	-0.016
Cal 20	2.680	-0.003

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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