

**Early Morning Update:**

The Jul18 natural gas contract is trading up \$0.04 at \$2.94. The Jul18 crude contract is up \$0.83 at \$65.90.

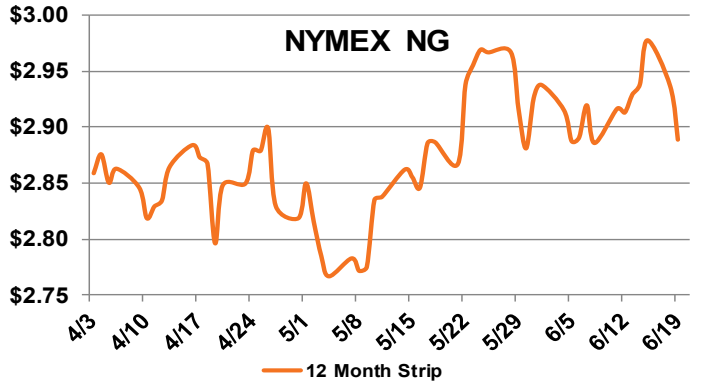
**Summary:** After trading above \$3.00/MMBtu late last week, after the weekend, the July NG NYMEX contract has not been able to hold onto its gains. The prompt month contract lost another 5.1 cents yesterday, settling at \$2.90/MMBtu, and has lost over 12 cents so far this week. Calendar strip prices for 2020-2024 remain below \$2.70/MMBtu, 2021 is the cheapest calendar strip and set a new all-time low (again) yesterday at \$2.632/MMBtu. U.S. dry natural gas production set another record high this past Monday at 78.997 Bcf/d, and the U.S. Energy Information Administration forecasts production will average 81.2 Bcf/d this year, indicating continued growth through 2018. On Monday, the PJM average high was 93 degrees, but temperatures have since moderated slightly, with highs expected to average in the mid 80s over the next 15 days.

**Bullish Factors**

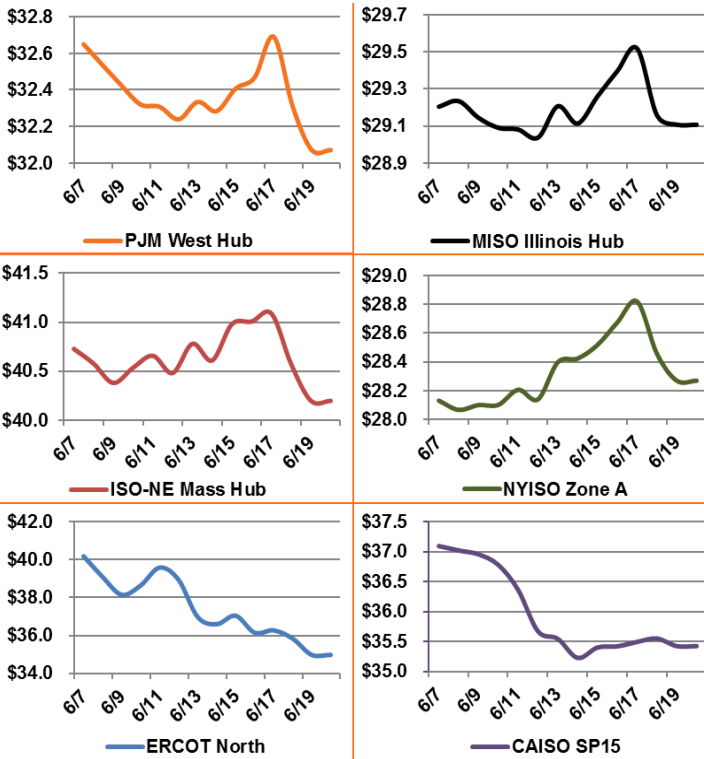
- High power burns
- LNG exports ramping up
- Warmer-than-normal weather

**Bearish Factors**

- Strong NG production
- Growing renewable energy generation
- 



**12 Month Strips, ATC Power Prices**



**Next Day On-Peak Power (traded for 6/20/2018)**

ISO-NE Mass Hub \$28.81	MISO Indiana Hub \$33.25	NYISO Zone G \$32.89
PJM West Hub \$33.56	ERCOT North \$31.01	CAISO SP15 \$38.11
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Jul-18	2.900	-0.051
Aug-18	2.904	-0.047
12 Month	2.889	-0.047
Cal 19	2.776	-0.040
Cal 20	2.666	-0.013

**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>	1,913	1,817	2,698	2,420
<b>Diff v. Current</b>		96	-785	-507
<b>% Diff</b>			-29.1%	-21.0%

