

Early Morning Update:

The Jul17 natural gas contract is trading up \$0.02 at \$2.93. The Aug17 crude contract is up \$0.04 at \$43.55.

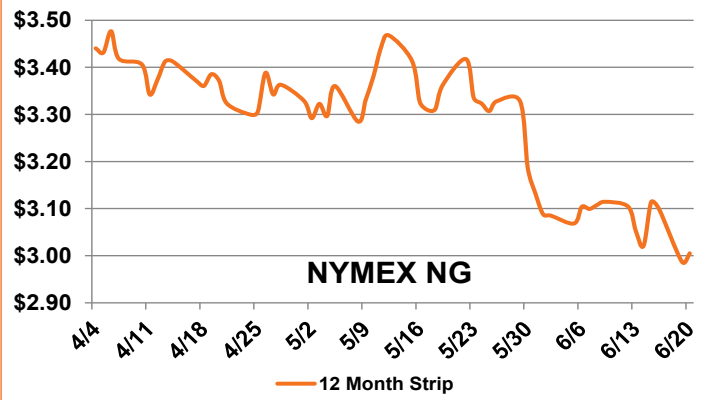
Summary: After dropping a total of 16.2 cents in the prior two trading sessions, the prompt month gained back 1.3 cents yesterday to settle at \$2.907/MMBtu. Weather forecasts continue to show lack of bullish support with the 6-10 and 8-14 forecasts still supporting cooler temperatures in the East, which should help the storage building season. However, Tropical Storms Bret and Cindy may have caused traders to pause and reassess current market conditions yesterday. According to the National Hurricane Center, Tropical Storm Bret is expected to remain in the Caribbean Sea for the next few days, and Tropical Storm Cindy is expected to reach southwestern Louisiana and southeastern Texas by tomorrow. Producers in the Gulf of Mexico have reported to be monitoring the storms and shoring up facilities, but there have been no indications of production disruptions yet. Turning attention to longer term, calendar strips 2018-2023 traded anywhere from 1.7 to 3.0 cents higher yesterday. Calendar strips 2018-2020 are now, on average, 28 cents above their all-time lows, and calendar strips 2021-2023 are now, on average, only 11 cents above their all-time lows.

Bullish Factors

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

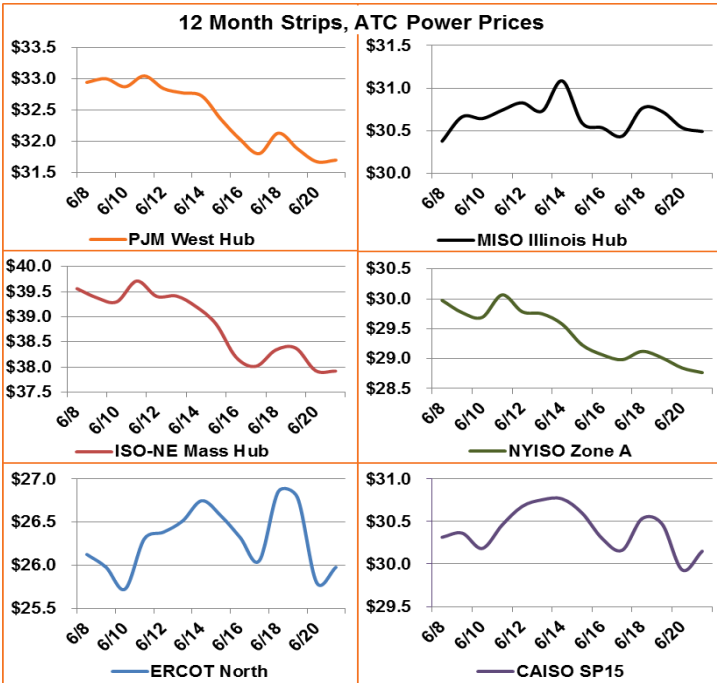
Bearish Factors

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



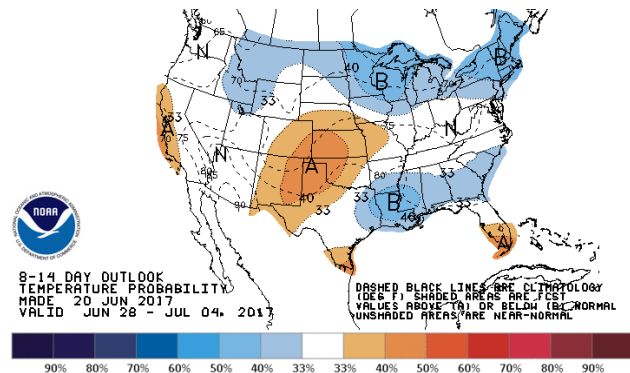
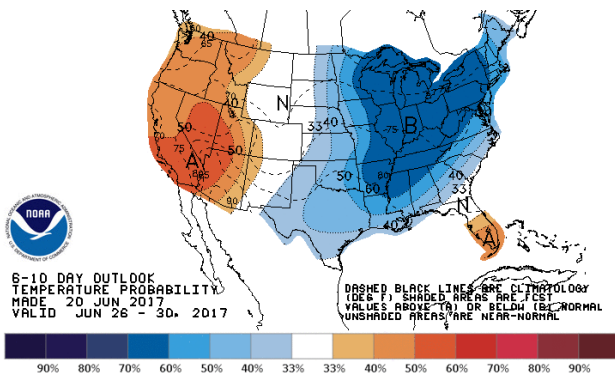
Next Day On-Peak Power (traded for 6/21/2017)

ISO-NE Mass Hub \$29.61	MISO Indiana Hub \$32.25	NYISO Zone G \$35.37
PJM West Hub \$29.55	ERCOT North \$29.72	CAISO SP15 \$79.29
NYMEX NG	Close	Change
Jul-17	2.907	0.013
Aug-17	2.930	0.013
12 Month	3.005	0.018
Cal 18	2.959	0.017
Cal 19	2.855	0.013



EIA Natural Gas Storage

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



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