

**Early Morning Update:**

The Jul18 natural gas contract is trading up \$0.03 at \$2.99. The Jul18 crude contract is down \$0.71 at \$65.00.

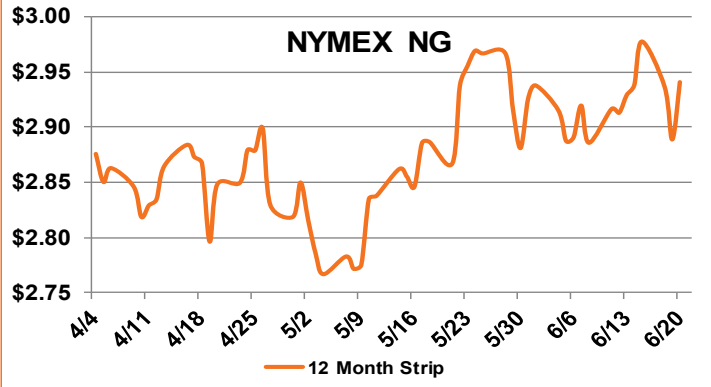
**Summary:** Natural gas prices rallied in trading on Wednesday to erase the losses from the previous session, gaining six cents to close at \$2.964/MMBtu. The market is expecting an 85 Bcf injection into storage when the U.S. Energy Information Administration publishes their weekly report later this morning. This week's injection is expected to be right in line with the 5-year average, providing no improvement to the storage deficit, which currently stands at roughly 20% when compared to the 5-year average. As the summer wears on, we may continue to see upward pressure on near-term prices if the storage deficit remains in place with little improvement. Production is expected to continue to tick higher, so market participants will be watching these production figures closely to determine fair value for the upcoming winter period.

**Bullish Factors**

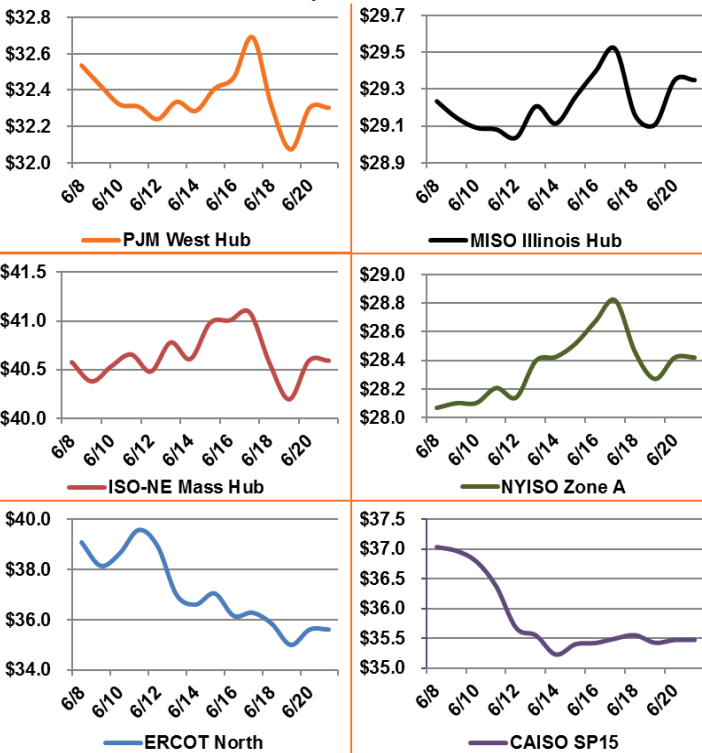
- High power burns
- LNG exports ramping up
- Warmer-than-normal weather

**Bearish Factors**

- Strong NG production
- Growing renewable energy generation
- 



**12 Month Strips, ATC Power Prices**



**Next Day On-Peak Power (traded for 6/21/2018)**

ISO-NE Mass Hub \$28.18	MISO Indiana Hub \$31.84	NYISO Zone G \$29.32
PJM West Hub \$30.77	ERCOT North \$46.25	CAISO SP15 \$37.56
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Jul-18	2.964	0.064
Aug-18	2.965	0.061
12 Month	2.941	0.052
Cal 19	2.816	0.041
Cal 20	2.678	0.011

**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%

