

Early Morning Update:

The Jul18 natural gas contract is trading down \$0.03 at \$2.94. The Aug18 crude contract is up \$1.42 at \$66.96.

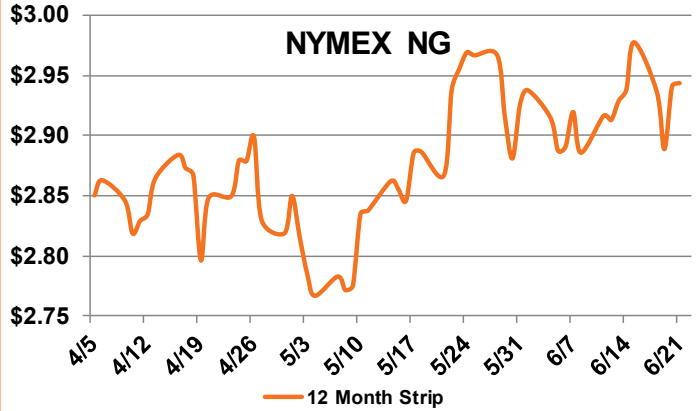
Summary: The prompt NG contract ended on a quiet note Thursday. Prices traded higher for much of the morning then slid lower after a somewhat bearish storage report. The prompt contract ultimately finished up a modest \$.011 to close at \$2.975. Warm weather forecasts have been leading the NG market higher recently with anticipated higher demand from power generation to meet air conditioning load. The latest forecasts show heat returning to much of the country starting in the middle of next week and running into early July. In a twist, the one place that isn't seeing significant forecasted heat is Texas. There is still lots of summer left to get through but the lack of scorching temperatures has led to a steep down in balance of summer pricing for that market. Risks remain as August is typically the hottest month but... so far, so good.

Bullish Factors

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

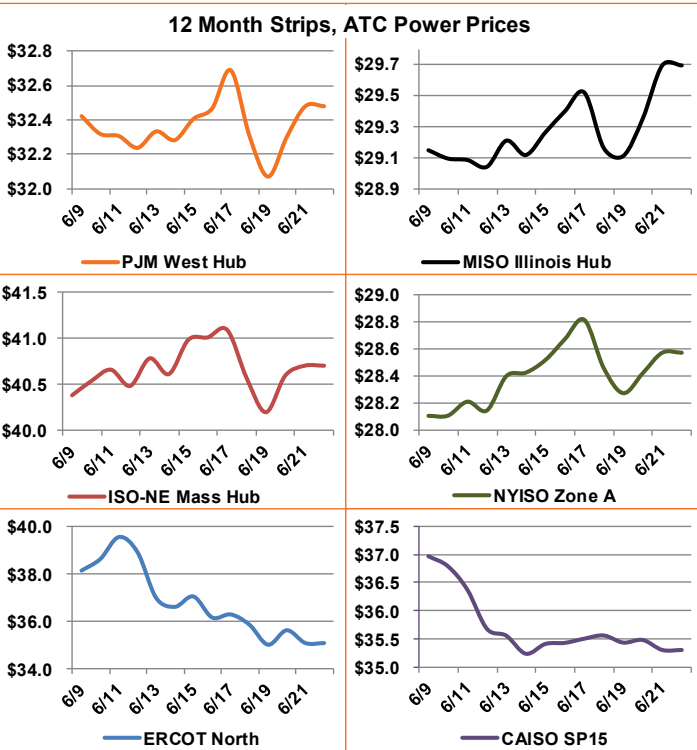
Bearish Factors

- Strong NG production
- Growing renewable energy generation
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Next Day On-Peak Power (traded for 6/22/2018)

ISO-NE Mass Hub \$27.23	MISO Indiana Hub \$36.61	NYISO Zone G \$27.74
PJM West Hub \$28.03	ERCOT North \$42.07	CAISO SP15 \$34.53
NYMEX NG	Close	Change
Jul-18	2.975	0.011
Aug-18	2.972	0.007
12 Month	2.943	0.003
Cal 19	2.818	0.002
Cal 20	2.678	0.001



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,004	1,913	2,761	2,503
Diff v. Current		91	-757	-499
% Diff			-27.4%	-19.9%

