

Early Morning Update:

The Jul18 natural gas contract is trading down \$0.04 at \$2.91. The Aug18 crude contract is up \$0.32 at \$68.90.

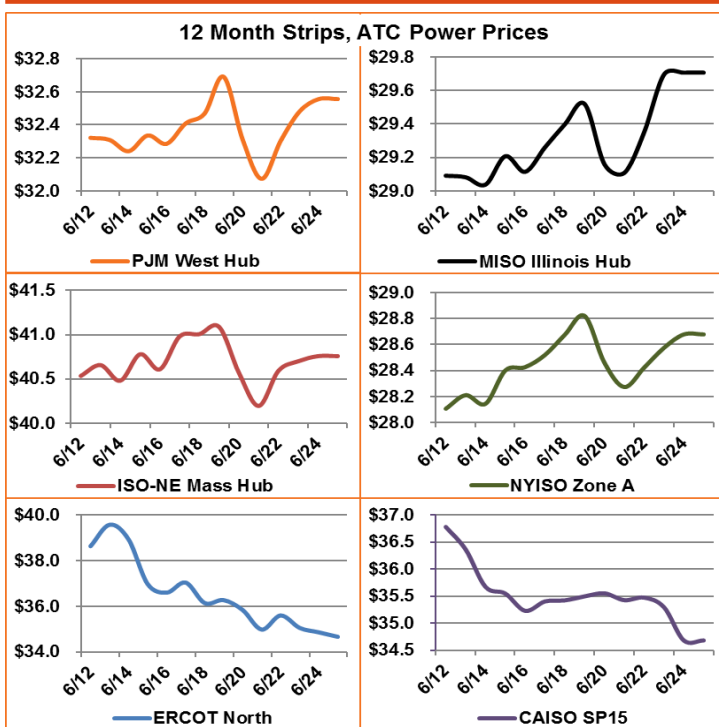
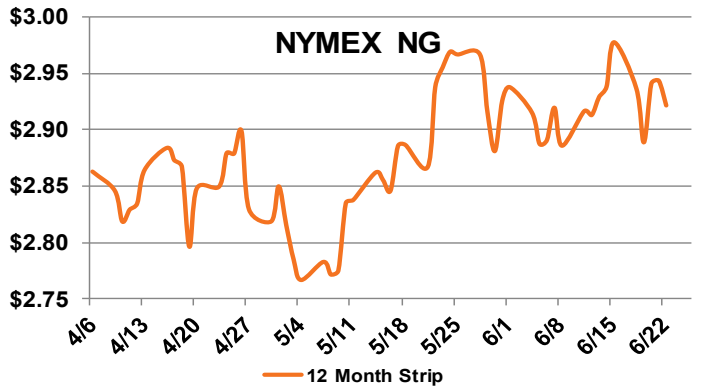
Summary: On Friday, the July 2018 NYMEX natural gas futures price fell by three cents on the day to settle at \$2.945/MMBtu. Due to slightly bearish fundamentals recently, we have seen some weakening in prompt month pricing, after rising above the \$3.00/MMBtu technical level about a week ago. Bullish weather forecasts are showing continued warmth over the next couple of weeks into July, predominately in the Midwest and Northeast, with brief heat in the South and West. Demand for gas had recently dropped due to moderating temperatures, but still remains elevated compared to this time last year, and is expected to push higher with the coming heat. Due to warmer temperatures, we have also seen bolstered demand for natural gas in the power generation sector to support cooling demand. Yesterday, U.S. dry production hit a new all-time high of 79.8 Bcf/d, while Northeast production continues to climb to record high levels, and is about 15% greater than where it was just a year ago.

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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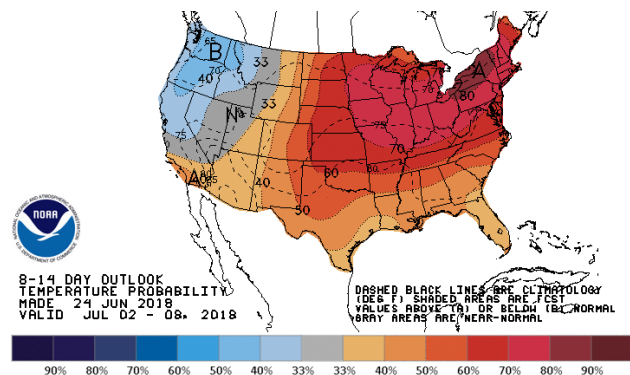
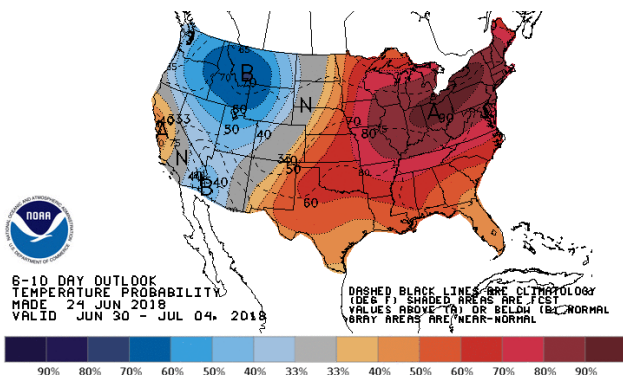


Next Day On-Peak Power (traded for 6/25/2018)

ISO-NE Mass Hub \$28.00	MISO Indiana Hub \$36.66	NYISO Zone G \$30.77
PJM West Hub \$32.79	ERCOT North \$35.00	CAISO SP15 \$31.25
NYMEX NG	Close	Change
Jul-18	2.945	-0.030
Aug-18	2.945	-0.027
12 Month	2.921	-0.022
Cal 19	2.808	-0.010
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%



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