

Early Morning Update:

The Jul17 natural gas contract is trading up \$0.05 at \$2.98. The Aug17 crude contract is up \$0.24 at \$43.25.

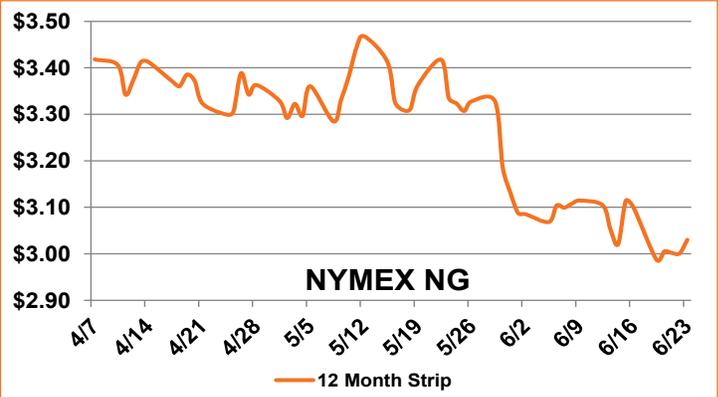
Summary: On Friday, NYMEX natural gas futures prices for July ended the trading session up 3.5 cents at \$2.929/MMBtu. These gains were seen in spite of some bearish fundamentals, such as the higher-than-expected injection into storage last week and moderating weather forecasts, which should soften the amount of cooling demand. This was the fifth consecutive week, however, that saw prices finish the week down and unable to gain back losses seen from the beginning of the week. The National Weather Service has reported that Tropical Storm Cindy was downgraded from its tropical storm status to a tropical depression, with substantial rainy conditions remaining in the Southeast. While storage injections have been relatively moderate these past few weeks, the market is unsure how Tropical Storm Cindy will affect the injection for the week ending June 23rd. The end-of-season storage projection has been revised up to 3.84 Tcf, and if that holds true, this will be a healthy amount of natural gas in inventory as we head into the winter months.

Bullish Factors

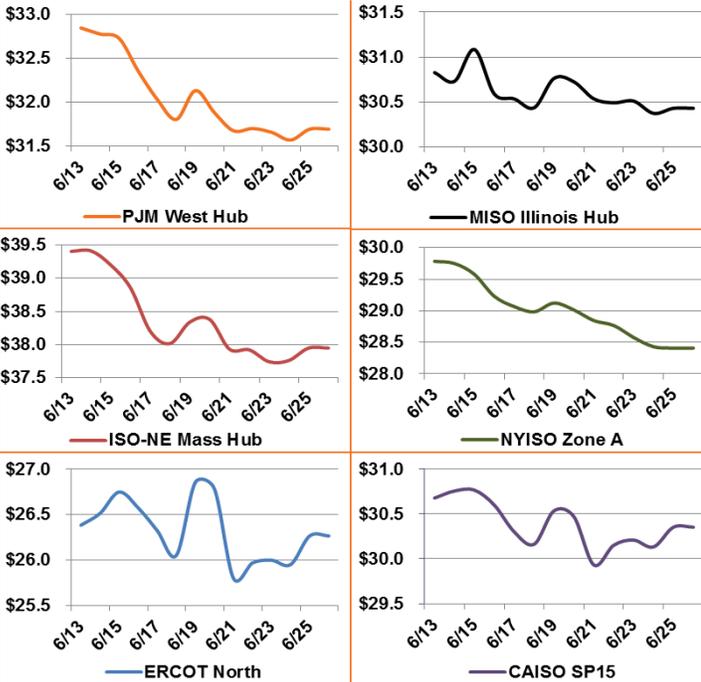
- Stagnant production
- Exports to Mexico at record high
- Growing LNG exports

Bearish Factors

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



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 6/26/2017)

ISO-NE Mass Hub \$26.97	MISO Indiana Hub \$26.18 6/24/17	NYISO Zone G \$33.29 6/24/17
PJM West Hub \$27.25	ERCOT North \$22.88 6/24/17	CAISO SP15 \$40.63
NYMEX NG	Close	Change
Jul-17	2.929	0.035
Aug-17	2.951	0.036
12 Month	3.030	0.029
Cal 18	2.982	0.018
Cal 19	2.876	0.007

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,770	2,709	3,094	2,563
Diff v. Current		61	-324	207
% Diff			-10.5%	8.1%

