

Early Morning Update:

The Jul17 natural gas contract is trading up \$0.02 at \$3.06. The Aug17 crude contract is down \$0.14 at \$44.10.

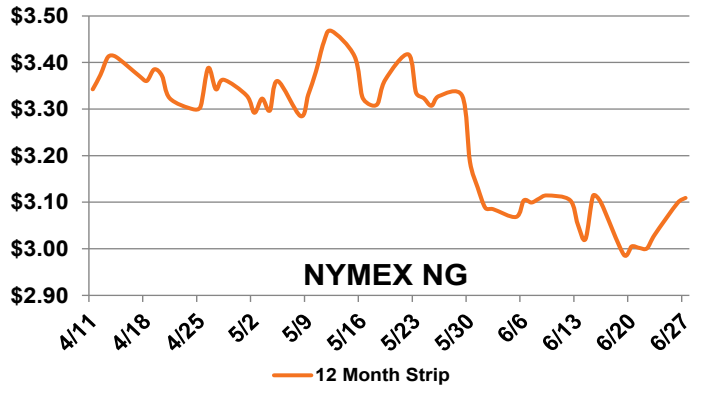
Summary: Supported by the National Weather Service's 6-10 and 8-14 day weather outlooks predicting warmer-than-average temperatures blanketing the country, the NYMEX prompt month held steady above \$3.00 yesterday. On it's second to last day of trading, the contract gained a penny, settling at \$3.037/MMBtu. Longer-term contracts were mostly unchanged yesterday. If the prompt month rallies today, it will mark the eighth consecutive month of a prompt month rally on its final trading day. Tropical storm season is underway with three storms developing early in the season this year, Arlene, Bret, and Cindy. Tropical Storm Cindy triggered shut-ins of about 10.1 MMcf/d of Gulf of Mexico natural gas production last week. Those shut-ins will have an impact on the EIA's storage data for the week to June 23, which will be released tomorrow morning at 10:30am. Current expectations for tomorrow's report are centered around a 50 Bcf injection.

Bullish Factors

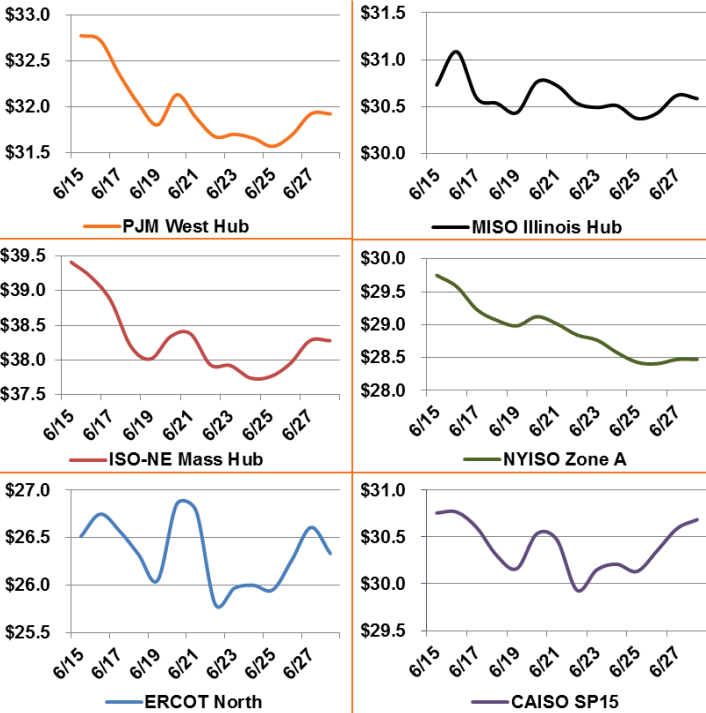
- Stagnant production
- Exports to Mexico at record high
- Growing LNG exports

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 6/28/2017)

ISO-NE Mass Hub \$25.11	MISO Indiana Hub \$25.87	NYISO Zone G \$29.53
PJM West Hub \$25.80	ERCOT North \$26.95	CAISO SP15 \$29.83
NYMEX NG		
Jul-17	Close 3.037	Change 0.010
Aug-17	3.064	0.015
12 Month	3.109	0.010
Cal 18	3.012	0.001
Cal 19	2.857	-0.015

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%

