

**Early Morning Update:**

The Aug18 natural gas contract is trading up \$0.01 at \$2.99. The Aug18 crude contract is down \$0.36 at \$72.40.

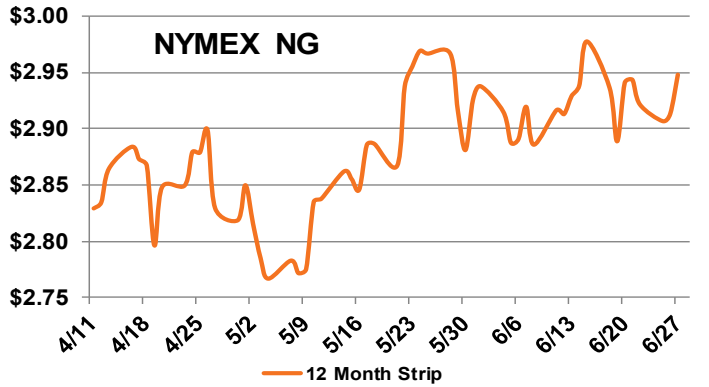
**Summary:** In 18 of the last 20 months, the natural gas prompt month saw gains in its final day of trading. That trend continued yesterday, as the July '18 NYMEX contract rolled off the boards, but not before gaining 5.7 cents and settling just under the \$3.00 technical ceiling at \$2.996/MMBtu. Warmer-than-normal weather has kicked up power burn recently, and, as a result, the market is anticipating a weekly storage injection much smaller than has been seen over the past few weeks. Estimates for the growth in natural gas storage stockpiles in the week to June 22 range from 65 to 79 Bcf, with a consensus formed at 74 Bcf. A build at consensus, although 20 Bcf smaller than the past three-week average, would still be much larger than the 48 Bcf injection seen last year for the corresponding week, and right in line with the 73 Bcf five-year average. Total U.S. gas demand has been steadily increasing this week, with power burns up 1.0 Bcf/d from yesterday. Countering this, however, has been dry production, which reached an all-time high of 79.9 Bcf/d yesterday.

**Bullish Factors**

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

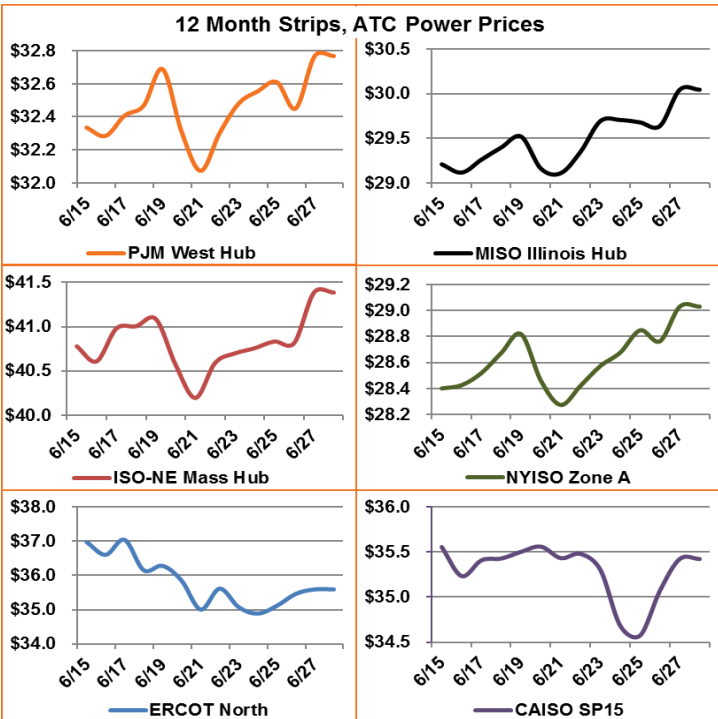
**Bearish Factors**

- Strong NG production
- Growing renewable energy generation
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**Next Day On-Peak Power (traded for 6/28/2018)**

<b>ISO-NE Mass Hub</b> \$33.13	<b>MISO Indiana Hub</b> \$45.98	<b>NYISO Zone G</b> \$35.01
<b>PJM West Hub</b> \$38.89	<b>ERCOT North</b> \$33.61	<b>CAISO SP15</b> \$29.94
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Jul-18	2.996	0.057
Aug-18	2.981	0.050
12 Month	2.948	0.035
Cal 19	2.829	0.023
Cal 20	2.688	0.008



**EIA Natural Gas Storage**

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

