

Early Morning Update:

The Aug17 natural gas contract is trading down \$0.01 at \$3.08. The Aug17 crude contract is up \$0.51 at \$45.25.

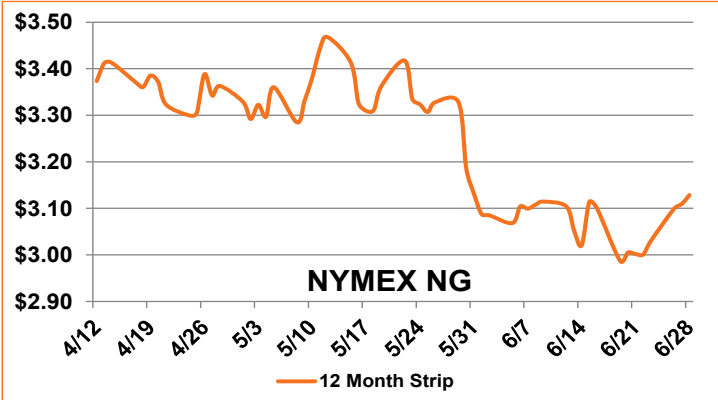
Summary: Yesterday, natural gas prices rose for the fifth session in a row, as the prompt month gained three cents and settled at \$3.067/MMBtu. It was also the ninth consecutive month that saw prices rise on the last day of trading before expiration. The Jul17 natural gas contract rolled off the boards yesterday, and Aug17 makes its debut as the prompt month today. August was also up three cents yesterday, settling at \$3.094/MMBtu. Weather continues to be the primary driver, with warmer-than-normal weather forecast across the entire U.S. for at least the next two weeks. Natural gas production has average 71.7 Bcf/d over the past six days, and is expected to be near 71.9 Bcf/d today. Estimates for the weekly storage increase for the week to June 23 center around a 50 Bcf build, which is higher than the 41 Bcf injection seen last year for the same week, but much lower than the 72 Bcf five-year average. The U.S. energy Information is scheduled to release their weekly storage data at 10:30 this morning.

Bullish Factors

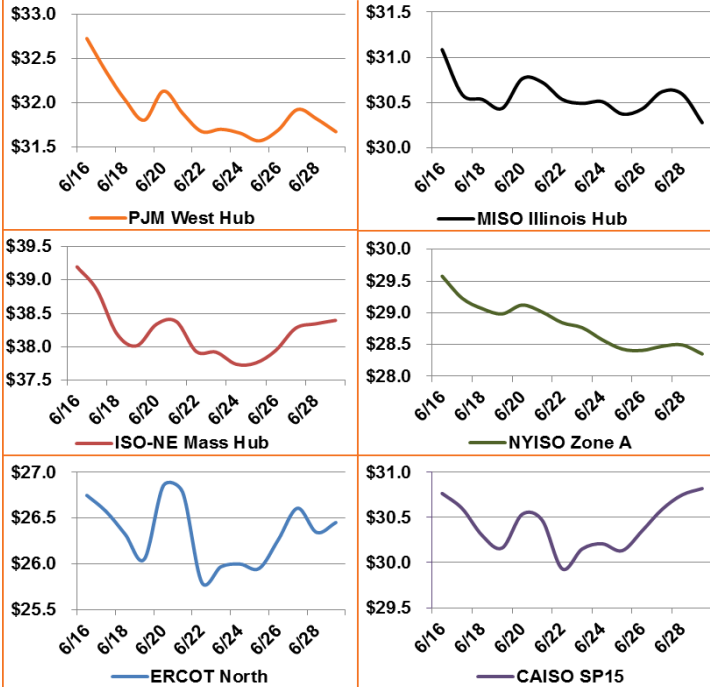
- Stagnant production
- Exports to Mexico at record high
- Growing LNG exports

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 6/29/2017)

ISO-NE Mass Hub \$30.29	MISO Indiana Hub \$30.52	NYISO Zone G \$34.70
PJM West Hub \$33.71	ERCOT North \$28.46	CAISO SP15 \$31.07
NYMEX NG	Close	Change
Jul-17	3.067	0.030
Aug-17	3.094	0.030
12 Month	3.129	0.019
Cal 18	3.016	0.004
Cal 19	2.849	-0.009

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%

