

**Early Morning Update:**

The Aug17 natural gas contract is trading up \$0.05 at \$2.98. The Aug17 crude contract is down \$0.50 at \$43.90.

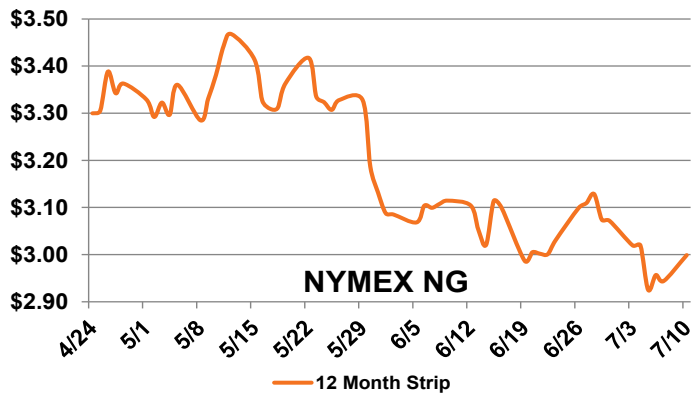
**Summary:** Heat envelops most of the country in fresh short-term forecasts, and August gas futures rose on Monday in tandem with the expected temperatures. The prompt month increased over six cents from Friday's settle to finish at \$2.929/MMBtu, the 12-month strip ticked up nearly six cents, as well, to finish just under \$3.00, and outer calendar years gained between one and four cents. The six-to-fourteen day forecasts show above average temperatures for nearly the entire country, save a few pockets in the Southwest, Northeast, and Mid-Atlantic. Power generation has already bolstered week-over-week gas demand numbers with a 7% gain last week, and those numbers will likely only increase as air conditioners continue to work overtime across the country. Storage levels remain solidly between last year and five-year average stocks, and are predicted to stay there despite the potentially feeble report expected this week.

**Bullish Factors**

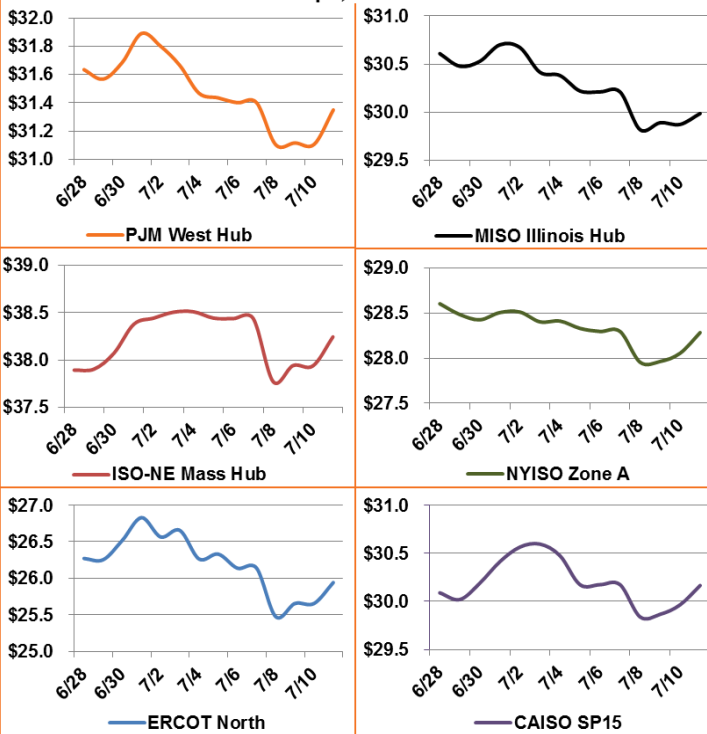
- Slow-growing production
- Exports to Mexico at record high
- Growing LNG exports

**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 7/11/2017)**

<b>ISO-NE Mass Hub</b> \$37.30	<b>MISO Indiana Hub</b> \$36.36	<b>NYISO Zone G</b> \$39.84
<b>PJM West Hub</b> \$37.67	<b>ERCOT North</b> \$29.00	<b>CAISO SP15</b> \$38.53
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
<b>Aug-17</b>	2.929	0.065
<b>Sep-17</b>	2.924	0.067
<b>12 Month</b>	2.999	0.055
<b>Cal 18</b>	2.951	0.037
<b>Cal 19</b>	2.808	0.010

**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>	2,888	2,816	3,173	2,701
<b>Diff v. Current</b>		72	-285	187
<b>% Diff</b>			-9.0%	6.9%

