

Early Morning Update:

The Aug18 natural gas contract is flat at \$2.79. The Aug18 crude contract is up \$0.30 at \$70.63.

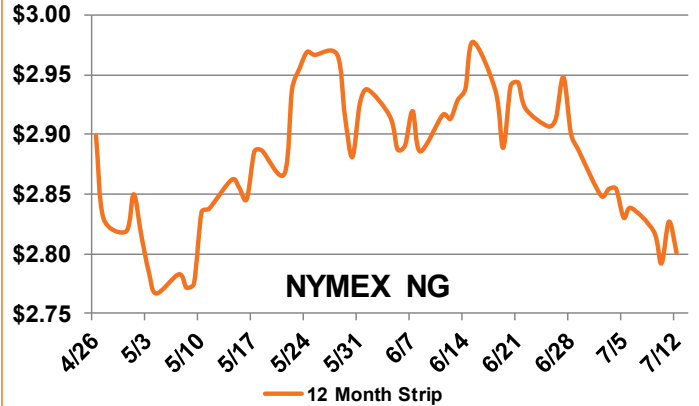
Summary: The prompt month slipped \$.032 yesterday to close at \$2.797. In addition to the small drop in prompt month pricing, we also saw long-term NYMEX fall slightly as well. Both Cal '21 and '22 are getting close to dipping below \$2.60 as the longer terms continue their remarkable bear run. The market had been up slightly yesterday but dropped immediately after the EIA announced a build into storage of 51 Bcf. The report itself was inline with expectations but maybe the market was relieved that the build wasn't smaller due to the heat we've been seeing recently. The high NG production levels no doubt helped keep the injection from being lower but end-of-summer estimates remain nearly unchanged over the past few months at roughly 3.52 Tcf. Looking at the weather, the east coast is forecast to see above-average temps this weekend but normal temps starting mid next week.

Bullish Factors

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

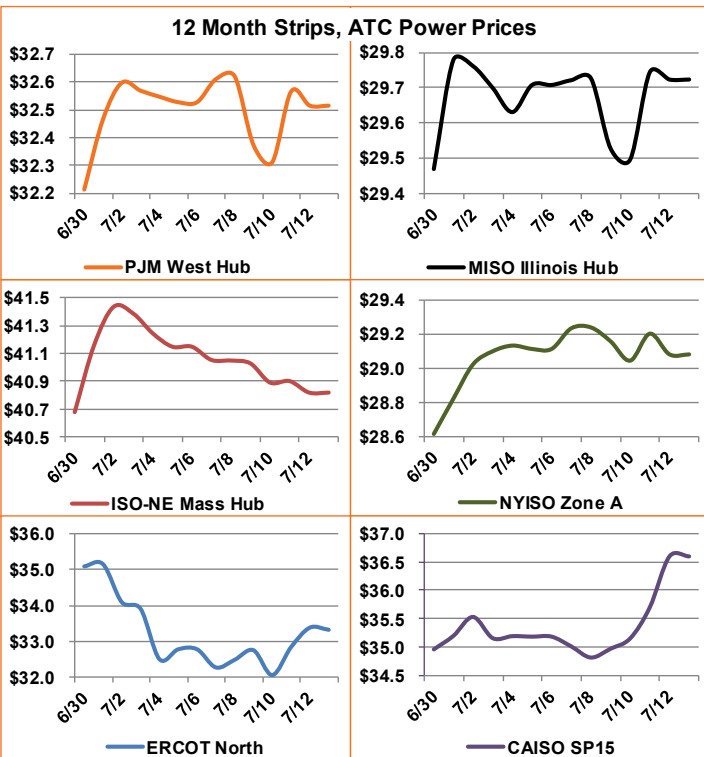
Bearish Factors

- Strong NG production
- Growing renewable energy generation
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Next Day On-Peak Power (traded for 7/13/2018)

ISO-NE Mass Hub \$33.92	MISO Indiana Hub \$43.00	NYISO Zone G \$37.68
PJM West Hub \$38.49	ERCOT North \$37.69	CAISO SP15 \$48.42
NYMEX NG	Close	Change
Aug-18	2.797	-0.032
Sep-18	2.766	-0.031
12 Month	2.801	-0.026
Cal 19	2.757	-0.025
Cal 20	2.668	-0.018



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,203	2,152	2,928	2,722
Diff v. Current		51	-725	-519
% Diff			-24.8%	-19.1%

