

Early Morning Update:

The Aug17 natural gas contract is trading down \$0.01 at \$3.08.
The Aug17 crude contract is up \$0.10 at \$46.50.

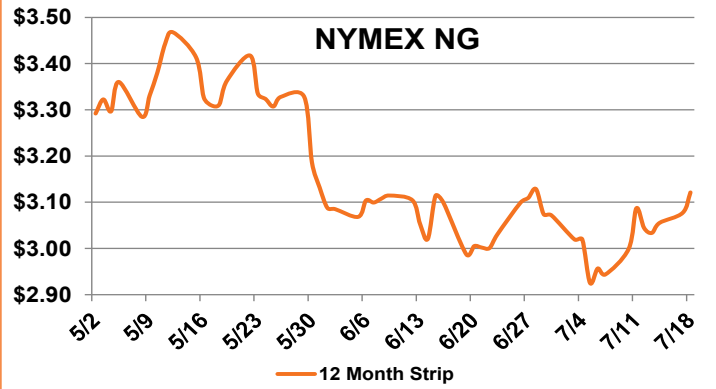
Summary: Rising more than ten cents in the past two days, the prompt month natural gas price reached a seven-week high on Tuesday. The price of natural gas futures for August delivery settled at \$3.088/MMBtu yesterday, up 6.8 cents, as the market prepared for warmer-than-normal temperatures across the majority of the U.S. to increase cooling demand and put a significant dent in the current five-year average storage surplus. Although production has been inching up recently, rising natural gas demand is expected to outpace it, resulting in smaller-than-average storage builds in the coming weeks. The total of the next three injections is projected to be only half as much as what is normally seen for this time of year, with the five-year average surplus anticipated to shrink to just 3%. Estimates for this week's U.S. Energy Information Administration's weekly storage report range from the high 20s to the mid-30s Bcf. This is somewhat bullish compared to last year's 38 Bcf storage increase for the same week, and far less than the 59 Bcf five-year average.

Bullish Factors

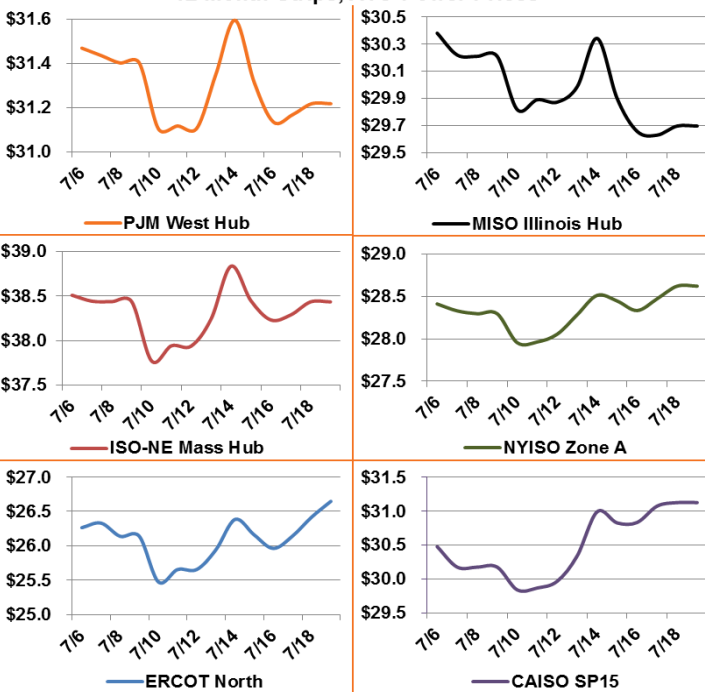
- Slow-growing production
- Exports to Mexico at record high
- Growing LNG exports

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 7/19/2017)

ISO-NE Mass Hub \$48.88	MISO Indiana Hub \$42.75	NYISO Zone G \$45.04
PJM West Hub \$43.38	ERCOT North \$40.00	CAISO SP15 \$40.88
NYMEX NG	Close	Change
Aug-17	3.088	0.068
Sep-17	3.073	0.066
12 Month	3.121	0.044
Cal 18	3.040	0.026
Cal 19	2.852	0.012

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,945	2,888	3,234	2,773
Diff v. Current		57	-289	172
% Diff			-8.9%	6.2%

