

Early Morning Update:

The Aug18 natural gas contract is up \$.01 at \$2.84. The Aug18 crude contract is down \$0.55 at \$72.39.

Summary: The NYMEX ticked down a few cents on an otherwise quiet day as weather forecasts show that the intense heat covering much of the country may ease just a bit, along the east coast at least. The west coast is still forecasted to have very hot temps and has driven short-term pricing there higher. Texas continues its escape from the hottest of temps and that has kept short-term pricing fairly low. The August North Hub peak contract for example, has fallen \$20 in the past week alone, and \$75 in the past month. August still has significant risk and is typically the hottest month in Texas but this price movement highlights the volatility there.

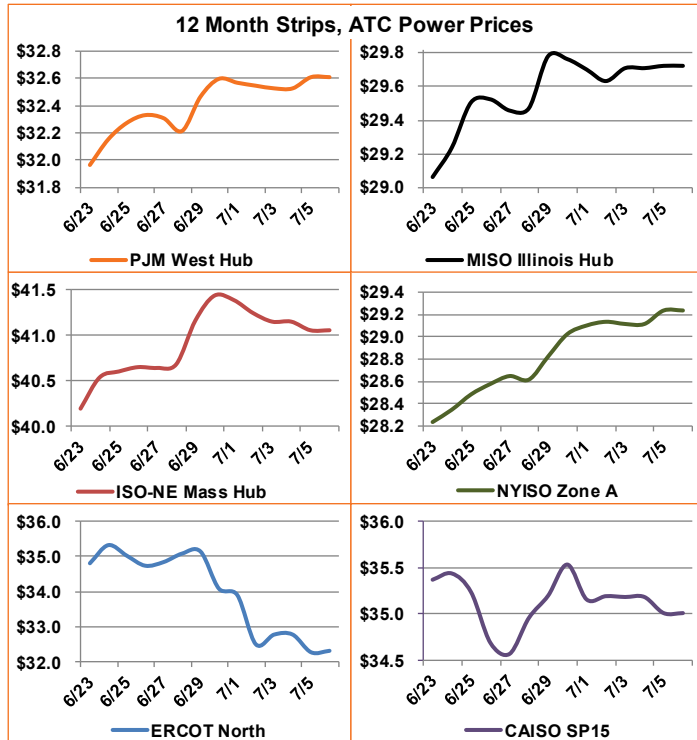
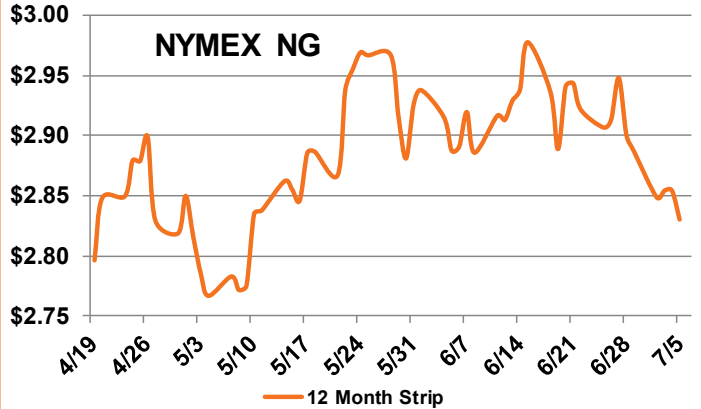
NG production continues to stay high with output at nearly 81 Bcf/d now. The EIA delayed the storage report until today due to the holiday on Wednesday. The latest estimates for the report call for a build into storage of 75 Bcf.

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 7/6/2018)

ISO-NE Mass Hub \$35.17	MISO Indiana Hub \$40.60	NYISO Zone G \$37.75
PJM West Hub \$34.62	ERCOT North \$37.96	CAISO SP15 \$76.78
NYMEX NG	Close	Change
Aug-18	2.837	-0.033
Sep-18	2.812	-0.034
12 Month	2.830	-0.024
Cal 19	2.779	-0.012
Cal 20	2.673	-0.008

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,074	2,008	2,809	2,575
Diff v. Current		66	-735	-501
% Diff			-26.2%	-19.5%

